Examining the role of intrinsic and extrinsic motivation in charity board governance

Research sponsored by the Charity Excellence Framework

March 2025

Executive Summary

This research was commissioned to examine how charity boards operate and make decisions, and to examine the differences in the challenges that these boards face, compared to corporate boards in the for-profit sector. The principal questions that the research seeks to address are:

1. *How does the volunteer nature of charity boards shape personal motivation, engagement and the way decisions are taken by the board?*
2. *How are the decisions and performance of charity boards affected by the often-competing forces of social mission and financial motivation?*
3. *In addressing the charity's social mission, how strong are the trustees intrinsic (heart) motives, versus their extrinsic (head) motives?*

The research makes a valuable contribution to several ongoing discussions on charity board effectiveness, including risk management, trustee recruitment, the conflicts that trustees often face when considering social impact and financial sustainability, the design of board reports and the potential payment of trustees.

Our thanks to Bath University for managing the research process, to the team of undergraduates for their energy and commitment in completing the research, and to the Charity Excellence Framework for their generous support.

Our thanks also to the Charity Finance Group (CFG) for their support in sharing this report.

Research overview

This study investigates how intrinsic (heart) and extrinsic (head/money-driven) motivations influence decision-making processes among charity board members, specifically examining whether the voluntary nature of trusteeship affects governance effectiveness.

The research included a quantitative survey with 242 responses and qualitative insights.

Key Findings

1. Motivation and decision-making effectiveness
    a. The research reveals that trustees with higher intrinsic motivation (IM) make significantly more effective decisions and demonstrate stronger mission alignment. Intrinsic motivation refers to our 'heart' motives: we genuinely care about the social mission of our charity; it is engrained in our psyche.
    b. Conversely, higher extrinsic motivation (EM: our approach to social mission is driven by monetary rewards) shows no relationship with decision-making effectiveness but is seen to negatively impact mission alignment, suggesting that trustees driven by external rewards, such as personal recognition, may prioritise considerations beyond the charity's core purpose.

2. Trustee recruitment

The findings challenge conventional assumptions about trustee recruitment and governance structures. Rather than prioritising professional experience or sector background, charities should focus on the intrinsic motivation of candidates during trustee selection. The research indicates that

mission-driven trustees make more effective decisions which are more aligned with the core purpose of the charity, regardless of organisational size or professional background.

3. Impact of volunteering

The voluntary nature of trusteeship significantly affects engagement in decision-making processes, with a clear generational divide emerging.

a. Older trustees, who are often more financially secure, experience less impact from the unpaid nature of the trustee role.
b. In contrast, younger professionals may struggle with competing career and family pressures leading to reduced engagement in the decision-making processes within the charity board.
c. The unpaid nature of trusteeship also makes it more difficult to recruit high-skilled professionals and to hold trustees accountable for performance.

4. Risk preferences

Trustee risk preferences show no significant correlation with charity size or professional sector background. This suggests that risk appetite in charity governance is shaped by factors beyond professional experience or organisational complexity.

Recommendations

1. **Foster intrinsic motivation**:
   a. Emphasise the purpose and social benefit of the charity through 'beneficiary stories'
   b. Implement governance structures that encourage connectivity through flexible roles, team development and training.
   c. Design concise board reports that are 'digestible and interesting' to encourage all trustees to fully engage with the topics for discussion2.
2. **Recruitment:** Develop motivation profiling processes that prioritise intrinsic motivation while ensuring cognitive diversity across age, background and experience.
3. **Mitigate voluntary burden**: Provide time flexibility through hybrid meetings and mentorship programmes, particularly supporting younger trustees facing competing professional and family demands.

Future Research

This study establishes the foundation for further research which will examine how individual trustee motivations impact on the decision making ability of the board as a whole, exploring collective team processes and decision-making effectiveness. We will ask the question: is there an optimal trustee board structure, with the right balance of trustee motivations and experience?

Sharing of the report

The attached research report is made openly available to organisations and individuals seeking to impact the effective operation of charities.

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Contents

Executive Summary 2
1. Introduction 8
1.1 Background 8
1.2 Research Context 8
1.3 The Problem 9
1.4 Stakeholder Objectives 10
1.5 Research Objectives and Research Question 10
1.6 Report Structure 12
2. Literature Review 13
2.1 Introduction 13
2.1.1 Systematic Literature Review 14
2.1.2 Results 16
2.2 Conceptual Underpinnings 16
2.2.1 Motivation 16
2.2.2 Volunteering 23
2.2.3 Cognitive diversity 26
2.3 Theoretical Underpinnings 29
2.3.1 Self-Determination Theory 29
2.3.2 Prosocial Behaviour 30
2.3.3 Agency Theory 31
2.6 Contextual Underpinnings 32
2.6.1 Overview of the Charity Sector 32
2.6.2 Regulatory/Legal Environment 33
2.6.3 Hybridisation 35
2.6.4 Organisational Factors 37
2.7 Conceptual Framework 39
3. Research Methodology 40
3.1 Introduction & Research Design 40
3.2 Research Onion 40
3.2.1 Research Philosophy 42
3.2.2 Research Approach 42

3.2.3 Research Strategy and Choice 44
3.2.4 Time Horizon 44
3.2.5 Scope 45
3.3 Research Methods - Quantitative 45
3.3.1 Introduction 45
3.3.2 Population and Sample 46
3.3.3 Survey Platform 47
3.3.4 Survey Design and Distribution 47
3.3.5 Survey Question Design 49
3.3.6 Pilot Survey 51
3.3.7 Ethical Considerations 52
3.3.8 Controlling Biases 52
3.4 Research Methods - Qualitative 54
3.4.1 Introduction 54
3.4.2 Benchmarking Survey 54
3.4.3 Design – Survey Monkey 54
3.4.4 Measurements and Methods 55
3.4.5 Sampling and Population 55
3.4.6 Ethical Considerations 56
3.4.7 Controlling Biases, Credibility, and Validity 57
4. Findings 59
4.1 Motivations 61
4.1.1 Predictors of Motivations 63
4.1.2 Motivation Effects on Decision-Making 68
4.2 Voluntary Impact 73
4.2.1 Effects of Voluntary Impact 75
4.2.2 Voluntary Impact Effects on Decision-Making 76
4.3 Risk Preferences 80
4.3.1 Effects on Risk Preferences 80
4.4 Qualitative Findings 84
4.4.1 Primary Data 84
4.4.2 Secondary Data 86
4.5 Summary of Key Findings 92
5. Discussion 98
5.1 Introduction 98
5.2 Hypothesis Discussions 98

5.2.1 Charity Size and Extrinsic Motivation 98
5.2.2 Trustee Experience and Intrinsic Motivation 99
5.2.3 Intrinsic Motivation and Decision-Making 99
5.2.4 Extrinsic Motivation and Decision-Making 99
5.3 Voluntary impact and Decision-Making 100
5.3.1 Age and Voluntary Impact 100
5.3.2 Age, Intrinsic Motivation and Extrinsic Motivation 100
5.3.3 The Role of Age in Decision-Making 101
5.3.4 Motivation and Decision-Making 101
5.4 Risk Preferences and Financial Decision-Making 101
5.4.1 Charity Size and Risk Preference 101
5.4.2 Private Sector Experience and Risk Preference 102
5.5 Overall Summary of Findings 102
5.6 Further Research 103
5.6.1 Civic Wealth Creation 103
5.6.1.1 Defining Civic Wealth Creation 103
5.6.1.2 Stakeholder Engagement 104
5.6.2 Stakeholder Theory 104
5.6.2.1 Overview of Stakeholder Theory 104
5.6.2.2 Stakeholder Definition 105
5.6.2.3 Value Creation 105
5.6.3 Groupthink 106
5.6.3.1 Defining Groupthink 106
5.6.3.2 Symptoms of Groupthink in Charities 106
5.6.3.3 Causes of Groupthink in Charities 107
5.6.3.4 Overview of Groupthink in Charities 107
6. Recommendations 109
6.1 Fostering Intrinsic Motivation on Charity Boards 109
6.2 Mitigating the Voluntary Burden 110
6.3 Strategic Trustee Recruitment 111
7. Conclusion 114
7.1 Answering Our Research Question 114
7.2.1 Implications for Intrinsic Motivation 115
7.2.2 Implications for Extrinsic Motivation 115
7.2.3 Implications for Trustee Boards 115
7.2.4 Implications for Trustee Pay and Voluntary Governance 116

7.2.5 Implications for Decision-Making Quality 116
7.3 Academic Implications and Literature Expansion 117
7.4 Conceptual Framework 117
7.5 Phase 2: Expanding from Individual Trustees to Board-Level Dynamics 118
7.5 Concluding Remarks 119
Acknowledgements 120
The research team 122

1. Introduction

1.1 Background

The UK charity sector is crucial in addressing social, environmental, and humanitarian issues. As of June 2024, there were around 170,171 registered charities in the UK, generating an annual income of over £100 billion and employing more than 1.2 million people, with over 924,000 trustee positions (PolicyBee, 2025). Despite their importance, charity boards face challenges in decision-making due to their voluntary nature and the diverse motivations of trustees.

Decision-making in charity boards is complex, influenced by multiple stakeholders, including donors, regulators, beneficiaries, and volunteers. Unlike corporate boards operating under clear financial incentives, charity boards must balance mission-driven goals with financial sustainability, regulatory compliance, and ethical governance. Governance effectiveness directly impacts fundraising, public trust, and mission delivery, making it crucial to understand trustee decision-making and motivations.

1.2 Research Context

Trustees play a crucial role in the governance and strategic direction of charities. However, the voluntary nature of their roles means they often face competing personal, professional, and organisational demands. This challenges engagement, decision-making efficiency, and alignment with the charity's mission. Studies suggest that trustee decision-making is influenced by a combination of IMs (e.g., personal fulfilment, alignment with values) and EMs (e.g., networking opportunities, recognition). While IM is often linked to effective decision-making and mission alignment, EM may lead to risk aversion or a transactional approach to governance (Finkelstein, 2009).

Another challenge facing charity boards is cognitive diversity (CD), which refers to the variation in perspectives, experiences, and problem-solving approaches among trustees. While CD can enhance decision-making quality, it can lead to conflicts, inefficiencies, and groupthink if not managed effectively (Qu et al, 2024). Given these complexities, examining how trustee motivations, CD, and the voluntary nature of their roles influence decision-making processes is crucial. Furthermore, trustee turnover rates, the level of professionalisation within charity governance, and the availability of training for trustees can all play a role in determining the effectiveness of board decision-making.

1.3 The Problem

Despite the importance of effective governance, research on charity trustee decision-making remains limited. The sector faces several key issues:

- **Trustee Motivation:** What drives trustees to engage with charities, and how do intrinsic and extrinsic motivations influence their decision-making?
- **Voluntary Impact:** To what extent does the unpaid nature of trusteeship affect engagement and decision efficiency?
- **Cognitive Diversity:** How does diversity in trustee backgrounds and perspectives impact decision-making outcomes?
- **Risk Preferences:** Do trustees with different motivations exhibit varying risk tolerance levels in financial decision-making?

Additionally, charities face increasing scrutiny regarding transparency and accountability, with the Charity Commission regularly reporting on governance failures within the sector. This growing emphasis on governance effectiveness makes it imperative to understand the underlying factors that influence decision-making processes in charity boards.

These challenges necessitate further investigation into how governance structures, trustee incentives, and organisational culture interact to shape decision-making effectiveness in the charity sector.

1.4 Stakeholder Objectives

This research will be valuable to multiple stakeholders, including charity boards, regulators, and policymakers. The key stakeholders and their objectives are outlined below:

1.5 Research Objectives and Research Question

This research aims to explore the relationship between trustee motivations, cognitive diversity, voluntary engagement, and decision-making effectiveness. Specifically, the objectives are:

Stakeholder	Objectives
Charity Trustees	Gain insights into decision-making processes and strategies to enhance governance effectiveness.
Charity Regulators	Identify governance challenges and develop policies to support effective board functioning.
Academic Community	Contribute to literature on non-profit governance, decision-making, and motivation theories.
Donors & Beneficiaries	Ensure transparency and effectiveness in charity governance to build trust and accountability.

Table 1- Stakeholder Objectives

1. To examine the role of intrinsic and extrinsic motivations in trustee decision-making.
2. To assess how the voluntary nature of trusteeship influences engagement and decision-making efficiency.
3. To evaluate the impact of cognitive diversity on board decision-making processes.
4. To investigate how trustee motivations affect risk preferences in financial decisions.
5. To identify strategies that can enhance governance effectiveness and mitigate challenges in charity boards.

Based on these objectives, the research question guiding this study is:

How do intrinsic and extrinsic motivations influence the decision-making processes of charity board members, and does the voluntary nature of these boards affect governance effectiveness?

1.6 Report Structure

The remainder of this report is structured as follows:

Figure 1- Report Structure

2. Literature Review

2.1 Introduction

Decision-making in charitable boards is often constrained by the voluntary nature of working as trustees, the resources they can deploy, and cognitive limitations. This literature review aims to outline the conceptual, theoretical, and contextual underpinnings of decision-making processes in charities. Drawing on the literature available, a hypothesis and conceptual framework will be developed.

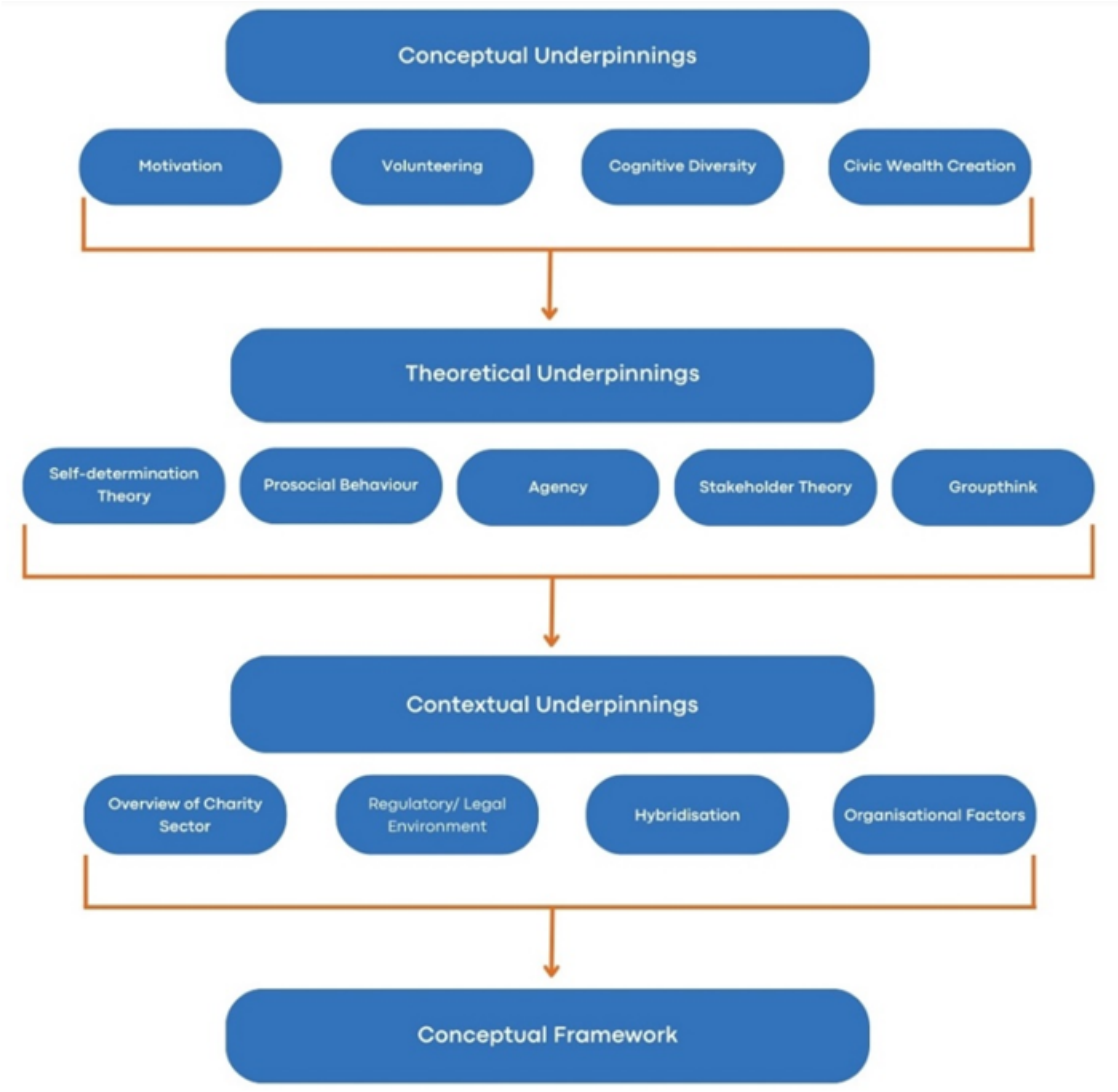

Figure 2- Literature Review Structure

2.1.1 Systematic Literature Review

To address the research question, a systematic literature review (SLR) of the current sociology literature on the following theories/concepts: charity boards, decision-making, motivation, and volunteering was conducted. SLR can be used to synthesise existing knowledge, help identify future research directions, and answer questions that individual studies could not address (Page et al. 2021). This study follows the PRISMA (Preferred Reporting Items for Systematic Review and Meta-analysis) protocol (Moher et al. 2015) for the rigorous review process. PRISMA is an evidence-based minimum set of items aimed at helping scientific authors report a wide array of systematic reviews and meta-analyses.

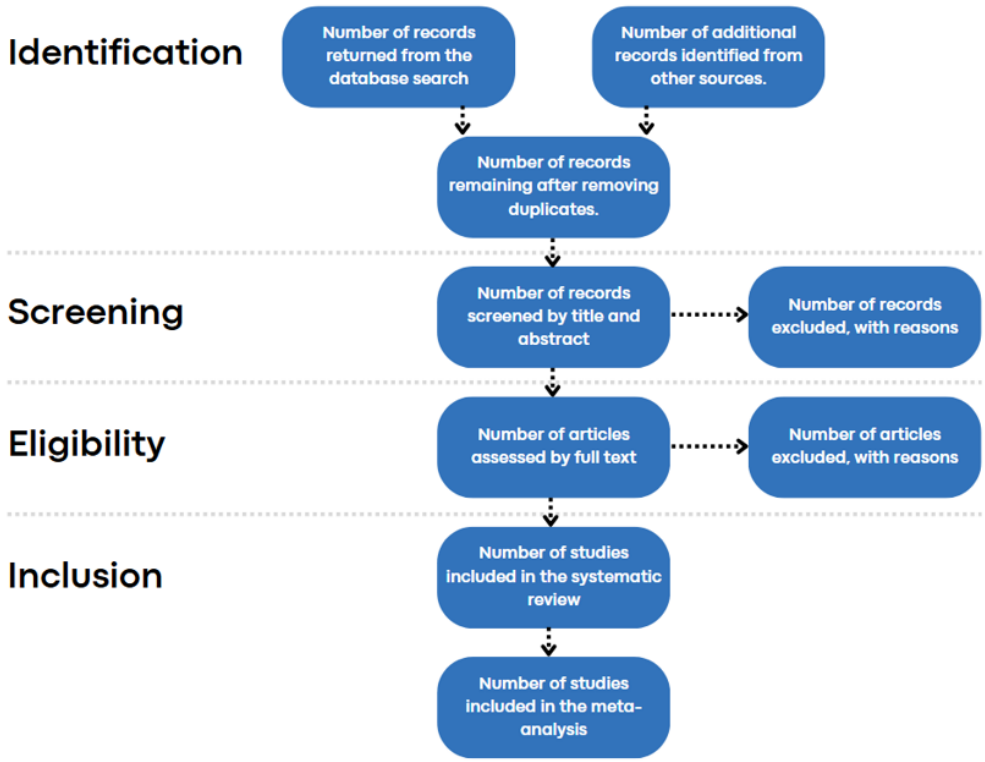

Figure 3- PRISMA Protocol (Nalen, 2023)

Data for this study was collected in three stages: database search, breadcrumbing and pearl growing. The database search stage was divided into three parts: initial search, abstract screening and full-text review. First, databases including Scopus, Emerald Insight, and

Google Scholar were used to search literature based on set inclusion and exclusion criteria (Table 1). The second stage of data collection involved the bread-crumbing method, a technique in which the references of a publication are screened to find other relevant publications (Fischer et al. 2017). Finally, the pearl growing method was applied, which refers to searching reference databases for citations to identify articles citing a publication that has already been included in SLR as relevant (Fischer et al. 2017).

Eligibility criteria were based on formal publication criteria and thematic relevance. Only articles published in English in peer-reviewed academic journals between 2000 and 2024 were included. Furthermore, the articles must have been directly related to sociology and the above theories/concepts.

Criterion type	Inclusion criteria	Exclusion criteria
Research area	Sociology	Not related to sociology
Topic	Directly related to: Charity boards, Decision-making, Motivation or Volunteering	Not directly related to Charity boards, Decision-making, Motivation or Volunteering
Year of publication	Between 2000 and 2024	Outside the set range
Publication source	Peer-reviewed academic journals	Other types of sources
Language	English	Other language
Type of publication	Journal articles	Other types of publication

Table 2- Eligibility Criteria

2.1.2 Results

The SLR search yielded 60 studies that fit within the inclusion criteria. The studies reviewed were diverse in their research design, with clear aims, a large sample size, and well-defined methodologies. The SLR revealed a lack of research assessing the quality of charities' decision-making, with more emphasis placed on donors. Despite this, several hypotheses and assumptions can be drawn from the literature review and developed into a conceptual framework.

2.2 Conceptual Underpinnings

2.2.1 Motivation

2.2.1.1 Categorising motivation

Various theories of motivation have evolved over time. These theories are generally categorised into content theories (what motivates people) and process theories (how motivation operates). Literature focusing on the motivations of trustees and volunteers at charities often emphasises the benefits to the volunteer (intrinsic) (Dwyer et al., 2013) or the benefits to others (extrinsic) (Finkelstein, 2009).

Volunteer motivation has always been an important research area because individual motivation is the central theme in actualising and sustaining voluntary work, both from a theoretical and practical point of view (Yeung, 2004). Ashfaq et al. (2017) developed a model to comprehend and measure the motivation level of volunteers and concluded that a detailed knowledge of what motivates volunteers can support organisational success.

2.2.1.2 Intrinsic Motivation

Not all actions are driven by tangible external stimuli or outcomes, termed ‘extrinsic’ motivation (EM); some actions are fuelled by internal factors, known as ‘intrinsic’

motivation (IM). Children naturally explore new objects, and adults willingly engage in new hobbies, even without clear extrinsic rewards (Morris et al., 2022). IM can arise from genuine satisfaction rather than external rewards or pressures (Deci & Ryan 2000). This motivation is rooted in the enjoyment of the task itself.

As a driver of volunteering, IM is well-documented (Deci & Ryan 2000), yet its interplay with external factors complicates its role in charitable decision-making. Bénabou and Tirole (2010) highlight that intrinsic altruism underpins prosocial behaviours like donating. However, social and self-image concerns can either amplify or undermine it through mechanisms like the over-justification effect. Similarly, Hinvest et al. (2018) find that social investors exhibit intrinsic motives (e.g., warm-glow emotions) alongside financial goals, with neuro-economic evidence revealing heterogeneity in these preferences among charity trustees. This suggests trustees' inherent drive to serve may be tempered by external visibility or rewards, a dynamic critical to board decision-making.

A useful framework for parsing motivated action into intrinsic and extrinsic is the Rubicon model of action phases (Heckhausen & Heckhausen, 2018). Within this framework, pre-decisional option deliberation occurs, which is followed by choice intention formation and planning, volitional action, outcome achievement, and evaluation.

Within these overlapping frameworks, the initial pre-decisional deliberation/option generation phase represents the point at which intrinsic and extrinsic facets of motivation diverge, as early drivers of behaviour can be intrinsic (e.g. enjoyment, interest, exploration) or extrinsic (e.g. social reward). The differences between these early drivers highlight a key distinction between intrinsic and EM, in which the former is a fundamentally proactive process and the latter reactive.

A combination of intrinsic and extrinsic factors likely enters into the pre-decisional deliberation phase to guide motivated behaviour (Fig. 1). Although intrinsic and EM are conceptually distinct processes, attempts to define them formally have identified several mechanisms by which they interact, leading to questions about their decomposability.

An individual's tendency to either explore an environment or exploit their pre-existing knowledge is influenced by perseverance (Von Culin et al., 2014), which indicates confidence in the absence of immediate reward.

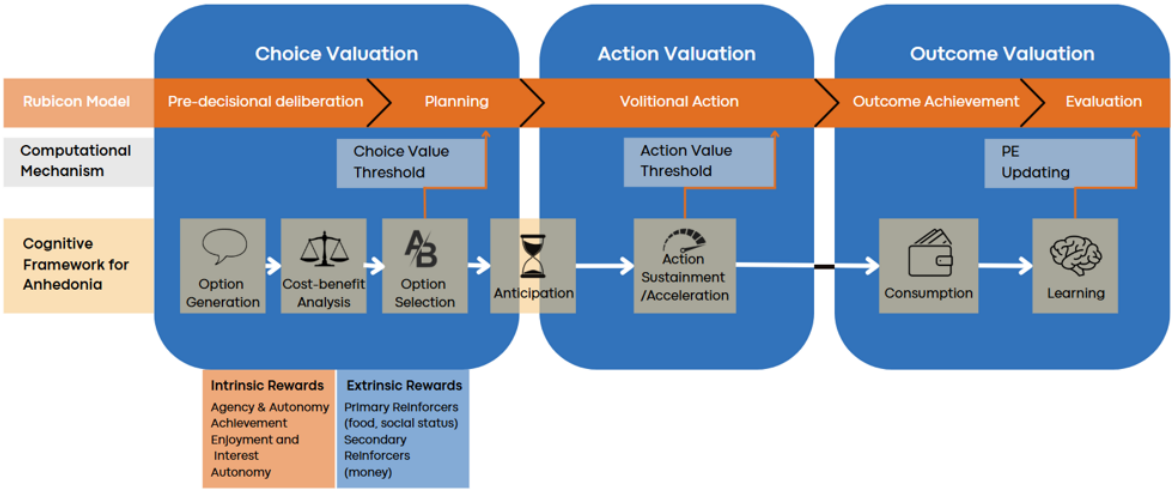

Figure 4- Schematic framework for parsing motivated action (Morris et al., 2022)

2.2.1.3 Intrinsic motivations of volunteers

Various studies suggest that people tend to volunteer because of the positive feeling that they receive as a result (Ellingsen and Johannesson 2009; Bauer et al. 2013, Brown et al. 2019) and that they often desire to donate time and effort more than money (Brown et al. 2019). Volunteering is often associated with having fun, developing interests, satisfying one's expectations and curiosity (Gallarza et al., 2013). It can provide opportunities to satisfy the personal needs of volunteers (Clary & Snyder, 1991). Experimental evidence from the

lab (Ariely et al. 2008) and the field (Chandler and Kapelner 2013; Chadi et al. 2017; Bäker and Mechtel 2018) suggests that people tend to perform better when they feel that what they do is meaningful, helping to generate positive feelings of satisfaction.

Mertins and Walter (2020) posit that meaningfulness is a hurdle that volunteers must clear before they can contribute and will refuse to engage should they not perceive a meaningful benefit to the greater good. This view is reinforced by Fishbach and Woolley (2022), who suggest that IM is crucial to engaging people with tasks.

However, volunteers may be motivated by intrinsic or extrinsic factors (Dwyer et al., 2013). External social factors, such as the expectation of others, encourage and sustain volunteering (Grube & Piliavin, 2000) as volunteers see a tangible reward such as money, social recognition, status, and network (Warner et al., 2011). Deci & Ryan (2000) assert that volunteers tend to be extrinsically motivated as they aim to attain outcomes apart from intrinsic satisfaction with the action itself. While IM reflects the hedonic value of volunteering, EM reflects utilitarian value (Gallarza et al., 2013).

2.2.1.4 Undermining effects

Various studies suggest that IM is susceptible to environmental influences (Deci, 1971; Deci, Koestner, & Ryan, 1999). For example, when a task is completed in exchange for external rewards, dependence on external motivation increases, and IM decreases. This finding has been termed the undermining effect, in that extrinsic reward serves to undermine the strength of IM.

The undermining effect is typically examined using a free-choice paradigm (Deci et al., 1999), where participants decide whether to engage in an experimental task or pursue other activities. The study compares individuals in a reward condition with those in a no-

reward (control) condition. During the initial phase, participants in the reward group receive an incentive for completing the task. In the subsequent free-choice period, the reward is removed, and researchers measure how often and how long participants continue engaging with the task. The time spent on the task during this phase serves as an indicator of IM.

Several decades of research have subsequently demonstrated that, across a variety of tasks, removing rewards significantly reduces the time spent on a task relative to groups that did not receive any external incentive (Deci et al., 1999). In addition, the more rewards rely on performance completion or ultimate outcomes, the more severely they risk decreasing or undermining internal motivation (Deci, Koestner, & Ryan, 2001). A recent analysis conducted by Schmidt et al. (2012) suggested that monetary incentives correlated positively with subjects' increased exertion and preparation for both mental and physical tasks.

Importantly, the type of reward offered may moderate the degree of undermining observed based on the degree to which performance predicts the distribution of reward (Deci et al., 1999). For example, if participants are rewarded for simply being present for a task (task-noncontingent scenarios), undermining effects are at their lowest as pressure to participate in the task is limited, and no feedback is provided about performance (Cameron & Pierce, 1994). However, in task-contingent scenarios which involve meeting a set criterion, rewards risk the greatest impact on internal motivation but also have the most beneficial effect on effortful behaviour overall (Elliott & Dweck, 1988).

2.2.1.5 Crowding out

Bénabou and Tirole (2003) describe the notion of extrinsic rewards becoming the primary driver of behaviour as the "crowding-out" effect. When individuals perceive rewards as controlling, they may feel less autonomous, leading to reduced motivation.

A decision-making agent will undertake a task only if they have sufficient confidence in their ability to succeed and in the project's net return. As a result, people with a stake in the project's performance (principals) have strong incentives to manipulate signals relevant to the agent. Bénabou and Tirole (2004) posit that by offering low-powered incentives, the principal signals their trust in the agent. Conversely, EMs have a limited impact on performance and reduce the agent's motivation to undertake tasks in the future.

The "crowding out" case requires an asymmetry of information between the principal and the agent and an inclination of the principal to offer a reward when the agent has limited ability or the task is unattractive (Bénabou and Tirole, 2004). Crowding out is amplified by the "looking-glass" effect, the notion that individuals form self-perceptions based on how they believe others see them. People are uncertain about their abilities, preferences, or motivations and infer these traits by observing their actions, particularly in response to external incentives. However, when rewards are introduced, they may interpret their actions as being externally driven, reducing their IM.

The undermining effect, where extrinsic rewards diminish IM (Deci et al., 1999), finds further support in Bénabou and Tirole (2010), who demonstrate through experimental evidence (e.g., reduced task engagement post-reward) that material incentives can crowd out altruistic intent. For charity trustees, this implies that introducing financial incentives or public recognition could inadvertently weaken their intrinsic commitment to the mission, aligning with the crowding-out phenomenon where external signals override internal drivers (Bénabou & Tirole, 2003).

2.2.1.6 Extrinsic motivation

Early psychological models of EM proposed that "will" and "intention" play a key role in achieving goals, highlighting how goal expectations shape action and control (Lewin, 1951; Tolman, 1932). According to this perspective, both environmental factors and an individual's internal state or memory influence their behaviour when striving toward a goal (Kagan, 1972). Successfully pursuing a goal requires the formation, maintenance, and continuous updating of multiple cognitive representations, which heavily depend on external stimuli and learning (Deci, Koestner, & Ryan, 1999; Kagan, 1972; Kagan & Moss, 1983).

Economic models of motivation have also emerged. These models propose that extrinsic goals, or incentives, elicit motivated behaviour via a cost-benefit analysis, where motivated choice occurs when benefits outweigh costs (Morris et al., 2022). A more recent model by Strombach et al. (2016) expands on the traditional cost-benefit analysis by integrating multiple factors, including intrinsic and extrinsic drivers, while also accounting for negative influences such as effort and pain. These elements are combined into a single, dynamic, and state-dependent factor, which ultimately guides motivated behaviour.

fMRI studies conducted by Murayama et al. (2010) revealed that monetary rewards activate the brain's dopamine system, which is linked to reinforcement learning. However, when rewards were later removed, participants showed less activation in motivation-related brain areas, supporting the undermining effect. Additionally, greater reductions in neural responses to extrinsic reinforcers were related to lower IM, suggesting that neural habituation to extrinsic reinforcers may relate to lower IM (Murayama et al., 2015).

Deci & Ryan (2000) describe EM as behaviour driven by external factors such as rewards or recognition, in opposition to internal satisfaction. In workplace settings, extrinsic motivators

are often used to encourage specific behaviours and also to align individual efforts with the goals of the organisation. However, extrinsic rewards are useful in motivating short-term performance and in encouraging behaviours that align with the objectives of a firm. However, an overemphasis on extrinsic rewards can lead to a transactional approach to work where employees are motivated solely by their material gain, which in turn can lead to employees feeling disconnected from the intrinsic rewards that make their work meaningful (Grolnick, 2023).

2.2.2 Volunteering

2.2.2.1 Defining volunteering

Volunteering is widely defined as the act of giving time and support to help others without expecting any money in return (Wilson, 2000; Turk et al., 2022). However, volunteering can take a variety of forms. “Formal volunteering” is structured and involves a set-time commitment (Turk et al., 2022), whilst “episodic volunteering” comprises the engagement in projects with a limited duration on a sporadic basis (Culp and Nolan 2000; Merrill 2006). Charities are becoming increasingly reliant on episodic volunteers who want to offer help while retaining flexibility (Wilson, 2012). Trustees of charities in Britain can be classed as “formal volunteers” as they are bound by the duties set out by the Charity Commission for England and Wales and are typically expected to attend a set number of monthly meetings. Therefore, this section of the literature review will focus on formal volunteers.

2.2.2.2 Motivations of volunteers

Individuals who volunteer for a charity aren’t usually motivated by financial compensation but by a sense of purpose (Deci & Ryan, 2000). When Gneezy and Rustichini (2000) incentivised volunteers with small cash rewards, those who were paid worked fewer hours

than those who received no compensation. Similarly, Conrads et al. (2016) found in a field experiment that offering small monetary rewards does not help or even becomes detrimental compared to a pure volunteering treatment or the opportunity to get a certificate. However, when volunteers in the same experiment were offered larger monetary rewards, the hours they offered to work rose significantly.

Charities typically rely on non-monetary incentives to motivate volunteers. Bradler et al. (2016) conducted a natural experiment in which a subset of students hired for a one-time data-entry job unexpectedly received thank-you cards during task performance. The output of the students in the subset increased significantly following the expression of gratitude. However, offering incentives doesn't always lead to increased performance and can lead to unexpected results. For example, Conrads et al. (2016) found that waiving a fee for student volunteers helping at a conference massively decreased the number of work hours offered.

Traditional literature suggests that motivations for volunteering are based on altruistic values and the importance of social interactions and community (Bocsi, Fényes and Markos, 2017). However, more recent literature includes self-benefits such as career development, personal growth, making friends, meeting people with similar interests, and improvements in physical and mental well-being.

Volunteers, including charity trustees, are driven by a sense of purpose rather than financial gain (Deci & Ryan, 2000), a view expanded by Bénabou and Tirole (2010) who identify a triad of motives—intrinsic altruism, material incentives, and image concerns. Their evidence, such as increased blood donations with public recognition, suggests visibility enhances volunteering, pertinent to trustees' formal roles. Hinvest et al. (2018) further reveal that charity trustees exhibit heterogeneous motivations along a financial-social

continuum, with neuro-experiments showing nudges (e.g., negative social images) can steer decisions toward social impact, offering a tool to reinforce trustees' prosocial commitment amidst competing demands.

However, volunteerism comes with its own set of problems that can undermine efficient governance and decision-making. Because of the voluntary nature of Charity boards, many members balance their roles with personal, professional, and other obligations. Unlike salaried board members at for-profit businesses, volunteers rarely have enough time or resources for their board duties. This can cause problems like inconsistent participation, low engagement at meetings, or delays in decision-making (Jensen & Meckling, 2019). One fundamental problem with volunteerism in governance is a lack of time. Many charity board members have other commitments that must be balanced with board duties, constraining their efforts.

2.2.2.3 Motivations of business leaders

Graafland and Mazereeuw-Van der Duijn Schouten (2012) investigated the reasons behind corporate social responsibility (CSR) actions taken by company executives and identified three main motives.

Firstly, executives can be motivated by financial benefits such as improved brand reputation, increased customer loyalty and cost savings from reduced energy use and waste (Brown & Dacin, 1997). The researchers hypothesised that executives who prioritise financial success will engage more in CSR if they believe it positively affects financial performance. In contrast, executives can be motivated by moral duty (a sense of social responsibility) or altruism (the desire to help others or to gain personal satisfaction from

doing good). In this case, the researchers hypothesised that executives who perceive CSR as a moral duty and value ethics highly will be more committed to CSR.

The results revealed that CSR related to the environment was driven more by moral duty and altruism than financial motives. Interestingly, financial and altruistic motivations for CSR related to improvements in labour conditions (e.g., equal opportunities) were most significant, with ethical motivations reported as less prominent. Finally, CSR focused on social activities (e.g., charity, community engagement, etc.) was primarily driven by moral and altruistic motives. Another surprising result was that the salaries of business leaders were not a strong predictor of CSR (Graafland and Mazereeuw-Van der Duijn Schouten, 2012).

Other key findings were that older executives engaged more in CSR (possibly due to accumulated experience or legacy concerns) and female executives were more active in CSR related to labour conditions (e.g., equal opportunities). As well as this, CEOs were more active in environmental CSR than directors-owners, suggesting that personal financial stakes influence decision-making (Graafland and Mazereeuw-Van der Duijn Schouten, 2012).

2.2.3 Cognitive diversity

2.2.3.1 Defining cognitive diversity

As the workforce becomes increasingly heterogeneous in terms of age, gender, race/ethnicity, education, values, cognition, and culture, organisations have sought ways to manage workforce diversity and unleash its strategic value effectively. Diversity management has become a stream of business management research and received considerable attention from scholars in the fields of strategy management, international business, and psychology (Qu et al., 2024).

Research on cognitive diversity (CD) has spanned over fifty years, with Hoffman et al., (1961) defining it as the ability of the group to differently process, perceive and interpret information and varying stimuli. Proceeding literature suggests that there exists a very complex relationship between CD and the team's performance level (Sauer, Felsing, Franke, & Ruttinger, 2006), as there are several moderating variables affecting the matrix of relationships in any given situation.

2.2.3.2 Deliberation and communication

Group deliberation can help to boost CD by facilitating the careful weighing of information, providing adequate speaking opportunities, and bridging the differences among participants' diverse ways of speaking and thinking (Burkhalter, Gastil, & Kelshaw, 2002). Other recent research (Mercier, 2016; Trouche, Sander, & Mercier, 2014) supports the idea that the exchange of arguments is essential to successful group decision-making. Knowledge exchange and information sharing were found to improve creativity and effectiveness in teams (Lugar and Novicevic, 2021) and are fostered by a culture of knowledge sharing in the workplace (Sołek-Borowska, 2019; Mehmood et al., 2021). Research conducted by Karadzhov, Vlachos and Stafford (2024) indicated that the diversity of discussed solutions correlates with group performance gain and that probing for reasons and solutions is a significant contributor towards predicting the diversity of discussed solutions.

CD enhances team deliberation by integrating varied perspectives (Burkhalter et al., 2002), a process illuminated by Hinvest et al. (2018). Their neuro-experiment with charity trustees reveals diverse financial-social mindsets, with eye-tracking showing differential attention to data types. This suggests that trustees' CD shapes how they weigh mission versus resource

allocation, potentially improving decision quality if harnessed through structured deliberation.

Rahmi & Indarti (2019) proposed a model to explain the effects of CD on team innovation, comprising two underlying elements (knowledge sharing and team climate). The results of their study demonstrated CD has a significant association with knowledge sharing and that knowledge sharing is positively associated with team innovation. When a team has a positive climate (members feel safe and encouraged to contribute), the benefits of CD are more effectively utilised through increased knowledge sharing. A good team climate acts as a bridge that helps transform CD into productive collaboration and innovation.

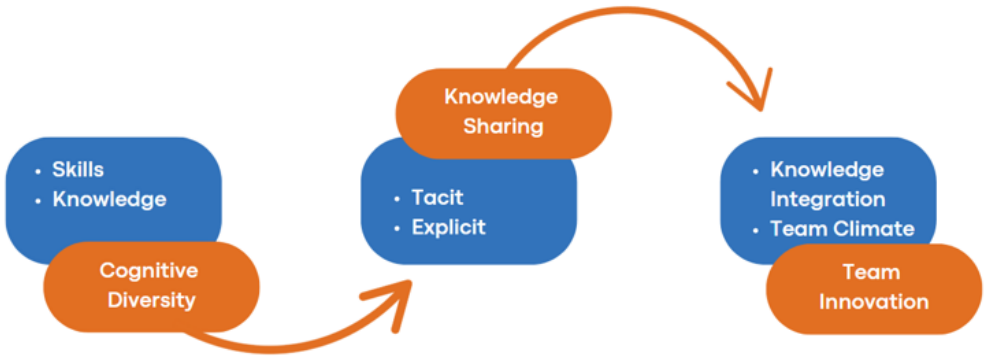

Figure 5- Cognitive Diversity and Team Innovation (Chaudhuri and Ghosh, 2011)

2.2.3.3 In-group bias

Results of previous studies measuring CD's effect on team innovation are mixed, with some suggesting a positive relationship (Ancona and Caldwell, 1992; Drach-Zahavy and Somech, 2001; Bell et al., 2011), others negative (Keller, 2001) and some neither positive nor negative (Sethi et al., 2001; Somech, 2006).

Differences in results can be partly explained by in-group biases, which tend to evolve when people differ from each other or feel different from each other, disrupting the function of

the team (Knippenberg and Schippers, 2007). To combat the risks of in-group biases, groups should encourage the sharing of ideas, information, and knowledge among individuals who have different cognitive abilities (Knippenberg, 2017). CD and team innovation increase when various factors are met, such as an appropriate climate that supports innovation (Fay et al., 2006), a norm of open-mindedness (Mitchell and Boyle, 2015), and the shared perceptions of team members (Hoever et al., 2012). Leaders who support innovation can also boost CD and team innovation (Somech, 2006).

2.3 Theoretical Underpinnings

2.3.1 Self-Determination Theory

2.3.1.1 Overview of Self-Determination Theory

Self-determination theory (SDT) is one of the preeminent theories for studying motivation in individuals (Wehmeyer et al., 2017) and is the most widely used in volunteer motivation. The core aspect of the theory is that individuals are motivated by the need to satisfy three psychological needs: autonomy, competence, and relatedness (Deci & Ryan, 2000).

Autonomy refers to an individual's aspiration to control their behaviour and to behave with a feeling of free will (Deci & Ryan, 2000). Competence is the desire to attain a desired result, meet the set standards and administer demands (Boezeman & Ellemers, 2009; Vansteenkiste et al., 2007). Lastly, relatedness refers to care and concern for others (Vansteenkiste et al., 2007). These fundamental psychological needs must be encouraged to strengthen IM among volunteers (Deci & Ryan, 2000). Individuals vigorously seek to attain these needs, and the level of contentment regarding these needs encourages the display of various other types of motivational attitudes (Hagger et al., 2006).

2.3.1.2 Motivations across organisations

Cultural differences can influence how IMs manifest. While IM is universally relevant, how autonomy and relatedness are experienced can vary between organisations (Deci & Ryan, 2000). Frey and Osterloh (2002) emphasise the importance of balancing intrinsic and EMs to optimise employee performance. Their research suggests that while extrinsic incentives can drive productivity, intrinsic motivators like autonomy and creativity are essential for fostering sustained engagement in complex, knowledge-based roles.

2.3.2 Prosocial Behaviour

2.3.2.1 Defining Prosocial Behaviour

Prosocial behaviour (PB) is traditionally described as voluntary actions intended to benefit others and is usually driven by altruistic motives or social norms (Eisenberg & Mussen, 1989). Batson (1991) differentiates between self-interest and genuine altruism, arguing that pro-social behaviour may be motivated by empathy rather than personal gain.

This view is reflected by Bénabou and Tirole (2010), who argue that PB reflects a mix of genuine altruism and image concerns. Multiple drivers of PB have been identified, including greater cohesion in social groups (Hamilton, 1964), family, culture, and social norms (Grusec et al., 2002), and empathy and moral reasoning (Hoffman, 2000).

2.3.2.2 Societal Values

Godman, Nagatsu, and Salmela (2014) highlight that PB is a defining feature of human sociality and is a well-documented experimental phenomenon frequently observed in game theory. Examples include cooperation in the Prisoner's Dilemma and Public Goods games, fair offers in Ultimatum Bargaining, as well as trusting and sharing in Trust Games. These findings highlight the consistency of prosocial tendencies across different strategic

interactions. However, Bénabou and Tirole (2004) point out that while many experimental subjects exhibit altruistic or reciprocal behaviour, such findings alone do not fully account for the complexities of human social conduct. They argue that several significant social phenomena cannot be explained solely by the existence of individuals with other-regarding preferences.

2.3.3 Agency Theory

2.3.3.1 Defining Agency Theory

Agency theory explains the relationship between principals (e.g., donors and beneficiaries) and agents (e.g., trustees and volunteers), where conflicts arise due to misaligned interests and information asymmetry (Jensen & Meckling, 1976). Agency problems in charities are worsened due to weaker monitoring mechanisms, multiple principals, and difficulty in defining clear performance metrics (Jegers, 2009).

2.3.3.2 Challenges with Agency In Charities

Agents possess superior insight and can be difficult to monitor effectively (Eisenhardt, 1989). For example, donors are unable to determine financial and operational efficiency in many charities, especially those that are small to medium-sized (Shapiro, 2005). In contrast, public company shareholders are provided with constant updates on performance throughout the year and extensive analyst coverage. Information for donors must be drawn from impact reports, third-party audits, and voluntary disclosures to be assured that funds are being used effectively.

Additionally, unlike for-profit firms, charities lack profit-driven incentives, making it harder to align managers' actions with donors' and beneficiaries' interests (Hyndman & McDonnell,

2009). Poorly aligned incentives and weak monitoring mechanisms can lead to moral hazard, complicating governance and increasing agency costs (Mitnick, 1984).

2.3.3.2 Reducing Agency Effects

Interestingly, corporate board composition seems to combat the effects of agency. Heterogeneous and experienced boards see better monitoring and reduced risk of executive opportunism (Hambrick & Mason, 1984). However, extremely long board tenures can lead to entrenchment, weakening accountability mechanisms (Olson, 2000).

Voluntary transparency, including disclosure of financial reports, impact assessments, and executive pay can also attract more donor trust and donations (Burger, 2008). However, too much disclosure will incur administrative costs, diverting funds from programme delivery to compliance (Shapiro, 2005).

2.6 Contextual Underpinnings

2.6.1 Overview of the Charity Sector

2.6.1.1 Defining Charities

Charities are defined as non-profit entities established to address social issues and promote public welfare. Their primary goal is “to serve the community rather than generate profit" (Ratajczak, 2022). They operate with a mission-driven focus, relying on volunteers and donations to achieve their objectives. Thus, they prioritise social impact over financial gain.

2.6.1.2 For-profit Organisations

In contrast, for-profit organisations exist to generate financial returns and do not have legal obligations dictating where their profit goes (Fraraccio, 2023). However, as the concept of social entrepreneurship gained traction in the 1970s and 1980s, the lines between for-profit and non-profit began to blur. In that era, a cohort of businesslike Charitys emerged,

including the microfinancier Grameen Bank and the Delancey Street Foundation, which provides training and jobs to recovering addicts and ex-convicts (Brumme and Trelstad, 2023).

2.6.1.3 UK Charities

As of March 2023, there were 168,893 registered charities in the UK, collectively generating an annual income of £88 billion and creating nearly one million jobs (Charity Commission, 2024). A charity must have at least one of the 13 recognised charitable purposes, defined in the Charities Act (2011) and must benefit the public or a sufficient section of the public. Trustees are those who are responsible for administering a charity and ensuring it operates in line with its charitable purposes (Synge, 2021).

2.6.2 Regulatory/Legal Environment

2.6.2.1 Charities Acts

The Charities Act (2006) – subsequently consolidated in the Charities Act 2011 – sought to improve public trust and confidence in charities in various ways. One of these was by extending regulatory oversight to exempt charities, either by requiring them to register with and be regulated by the remodelled Charity Commission or by appointing an alternative regulator to promote their compliance with charity law (Morgan and Morris, 2017). The most fundamental charity law obligations are to be found in case law rather than legislation. Compliance with them is not as easily monitored or regulated as statutory obligations and requires high levels of knowledge, integrity and internal checks and balances (Morgan and Morris, 2017).

2.6.2.2 Trustee Duties

Deriving principally from the law of equity and trusts, the law of charity imposes a complex range of duties on trustees. These duties include a duty to act under the charity's constitution, exercising powers only for proper purposes and with appropriate care and skill. Essentially, this means that the members of a charity's governing body must further the purposes set out in the institution's constitution and act in 'the best interests of the charity' (Synge, 2021).

Fiduciary duties also mean trustees must neither allow their interests to conflict with the interests of the charity nor make any profit from their position, at least not without full disclosure and proper authorisation (Synge, 2021). A fundamental principle of charity law demands that trustees act without remuneration, with very limited exceptions and private benefit accruing to individuals associated with the charity's organisation is permitted only to the extent that it is reasonable and incidental (Synge, 2021).

2.6.2.3 Breach of Duties

The legal consequences of a breach of charity law are not always straightforward and cannot easily be summarised (Synge, 2021). In simple terms, however, it should be noted that trustees may incur personal liability for breaches (Synge, 2021). Charity trustees will be responsible for what they have done or, in some cases, omitted to do. They may also be liable for the wrongful actions or omissions of employees, volunteers or others which they have sanctioned.

2.6.2.3 The Charity Commission

The Charity Commission's regulatory performance has attracted considerable public and Parliamentary interest, in part thanks to its reduction in funding in real terms (Morgan and

Morris, 2017). The Charity Commission's budget in 2023/24 was £32.25m (Charity Commission, 2023), virtually unchanged relative to the 2007/8 budget of £31.7m (Charity Commission, 2008) and 39% lower in real terms (Bank of England, 2024). In 2023/24, the Charity Commission oversaw an annual spend of £94bn and 924,026 trustees (Charity Commission, 2023).

Criticism has focussed on its compliance and enforcement work, including its perceived reluctance to use the powers available to it and its perceived lack of focus on dealing with serious wrongdoing (Morgan and Morris, 2017). The Commission has also come under the spotlight for its inability to regulate tax evasion involving charities.

2.6.3 Hybridisation

2.6.3.1 Overview of Hybridisation

Funding for charities has become more difficult to secure in recent years, causing organisations to change their approach to raising money, often integrating commercial practices in a process called 'hybridisation' (Curran and Ozcan, 2024). Hybridisation in charities refers to the blending of non-profit and for-profit practices to achieve both social and financial objectives (Battilana & Lee, 2014). Tension can arise when financial sustainability competes with social mission priorities (Battilana, Sengul, Pache, & Model, 2015).

2.6.3.2 Conditions for Hybridisation

Curran and Ozcan (2024) approached 18 distinct charities to identify the approach of executives who had identified a financing opportunity and led changes within the organisation to pursue that opportunity. The researchers used these approaches to isolate three groups – those taking on a social finance loan, those considering (to various degrees)

but eventually not taking on the loan and those ignoring/not considering a social finance loan.

Many charity executives lacked experience in both social and commercial logic, limiting their ability to view social finance as an opportunity. Additionally, trustees often resisted hybridisation due to concerns about reputational risks and misalignment with traditional charity principles (Curran and Ozcan, 2024). The researchers also noted that leaders with experience in commercial practices were often able to bridge the gap between social and business objectives (Curran and Ozcan, 2024). Leaders played a pivotal role in reframing trustee expectations and aligning governance structures to support hybrid activities. While some charities successfully incorporated social finance to enhance their financial sustainability and social impact, others struggled due to governance barriers and resistance to change (Curran and Ozcan, 2024).

2.6.3.3 Hybridisation Strategies

Charities hybridise by adopting a variety of business strategies. Social enterprise models involve generating income through trade rather than donations (Dees, 1998). These models require that pricing does not exclude the beneficiaries of social programs (Doherty, Haugh, & Lyon, 2014). Another model is known as cross-sector partnerships, which involves collaboration with corporations to access funding, expertise and market opportunities (Austin & Seitanidi, 2012). These partnerships help charities expand their reach and develop innovative solutions to social issues (Austin & Seitanidi, 2012). Charities often partner with companies that provide funding, donations, or business expertise in exchange for brand alignment with social causes (Selsky & Parker, 2005). Alternatively, they can partner with governments to deliver public services (Brinkerhoff & Brinkerhoff, 2011).

Strategies like these can introduce challenges such as mission drift, where commercial interests overshadow charitable goals (Ebrahim, Battilana, & Mair, 2014), stakeholder conflicts, and ethical dilemmas (Bugg-Levine & Emerson, 2011). A successful hybrid model requires clear governance structures, impact measurement frameworks, and alignment between financial and social objectives. Hybrid organisations often struggle with governance complexity, as they must answer to donors, investors, and customers simultaneously (Pache & Santos, 2013).

2.6.4 Organisational Factors

2.6.4.1 Motivations

Decision-making in charities is driven by a distinct set of motivations, with IMs playing a predominant role. Workers in this sector are commonly motivated by a sense of purpose because their work is focused on creating social impact or addressing social issues.

Extrinsic rewards also play a role in motivating workers in the sector despite IM being the much more dominant force. Park and Word (2012) highlight that charity employees may still appreciate external rewards like public recognition despite being driven by personal values. These extrinsic rewards can help to alleviate the emotional toll of charity work and provide some measure of recognition for the sacrifices made.

However, the overreliance on IM in charity work can lead to workers feeling burnt out. Without adequate external rewards/ recognition, individuals may feel unappreciated from the emotional demands of their work. Bell and Haugh (2013) discuss how social enterprises often face challenges in maintaining employee engagement due to low wages and high emotional demands. To prevent worker burnout, charity organisations need to find an

optimum balance between intrinsic and extrinsic rewards to ensure their employees and volunteers feel valued and supported.

In corporate environments, motivation typically centres around extrinsic factors such as salary and career advancement. Corporate employees are commonly motivated by tangible rewards that align with personal financial goals or career trajectories, which help drive performance and productivity (Park & Word, 2012). While IM can play a role, extrinsic factors remain dominant in shaping behaviour in corporate settings.

Workers and volunteers of charities are often motivated by the desire to make a positive impact and align their work with their values. However, charity workers may also benefit from extrinsic motivators such as public recognition, which can help alleviate the emotional strain of their work (Park & Word, 2012).

Despite these obvious differences, there is some overlap in motivation between the charity and corporate sectors. Employees in corporate CSR roles, for example, may find intrinsic satisfaction in contributing to socially responsible initiatives, while charity workers may seek extrinsic rewards to balance the emotional toll of their work. Both sectors benefit from a balanced approach which incorporates both intrinsic and extrinsic motivators to ensure that individuals remain motivated over the long term.

2.7 Conceptual Framework

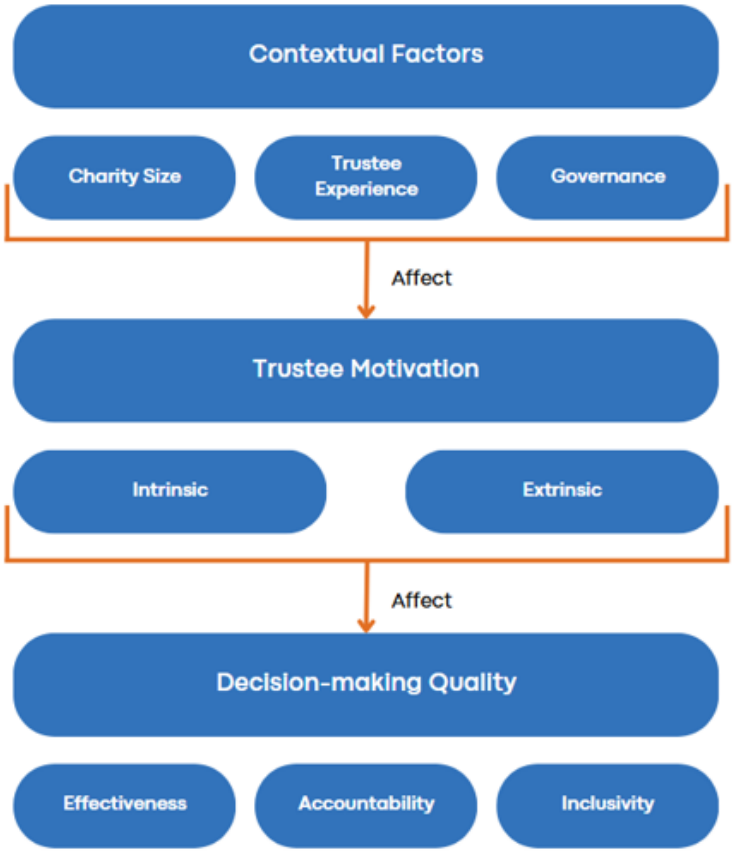

Figure 6- Conceptual Framework

Building on empirical insights from the literature review, we designed a conceptual framework to examine how trustee motivation (intrinsic vs. extrinsic) impacts decision-making effectiveness. We propose that this relationship is influenced by moderating factors such as trustee experience, charity size, and governance structure. The framework will be refined further based on the study's findings.

3. Research Methodology

3.1 Introduction & Research Design

The methodology section outlines the research approach adopted to investigate the research question: "How do intrinsic and EMs influence the decision-making processes of charity board members, and does the voluntary nature of these boards affect these decision-making processes?" This study employs a mixed-methods approach, integrating qualitative and quantitative data to provide a comprehensive understanding of trustee motivations and decision-making patterns (Creswell & Plano Clark, 2018).

This study serves as a pilot, laying the groundwork for future experimental research on charity trustees in the UK. The methodological framework is structured to ensure alignment with research objectives, facilitating both pattern identification and statistical analysis to explore motivation and decision-making trends. The methodology framework includes the methodological framework, structured using Saunders et al.'s (2019) Research Onion.

3.2 Research Onion

The research design is guided by the Research Onion model proposed by Saunders et al. (2019), which structures methodological choices in a layered format, ensuring coherence between the research philosophy, approach, strategy, time horizon, and data collection techniques.

Figure 7 presents the complete Research Onion model, while Figure 8 highlights the specific methodological choices adopted in this study.

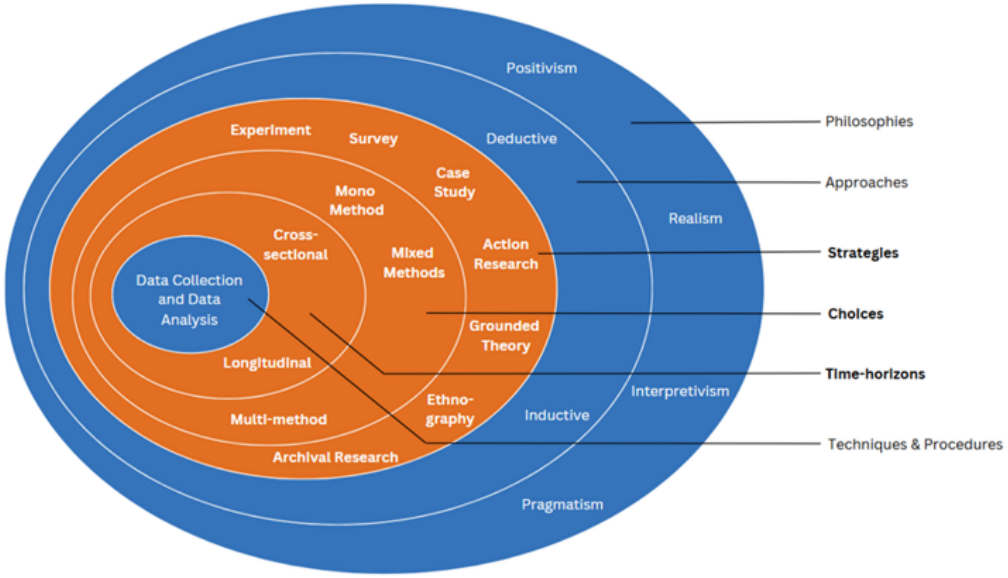

Figure 7- Research Onion (a)

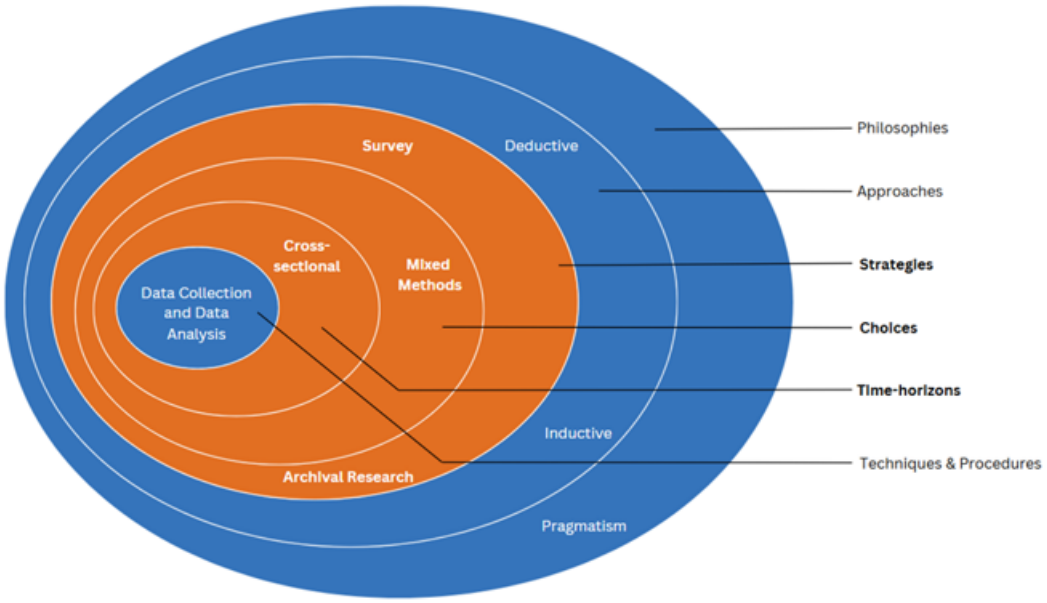

Figure 8- Research onion (b)

The layers of the Research Onion relevant to this study include:

- **Research philosophy:** Pragmatism
- **Research approach:** Combination of inductive and deductive reasoning
- **Research strategy and choice:** Mixed-methods design

- **Time horizon:** Cross-sectional
- **Data collection and analysis methods:** Thematic analysis for qualitative data and statistical analysis for quantitative survey responses

By following this structured approach, the study ensures methodological rigour while enabling both depth in qualitative findings and generalisability in quantitative results. The integration of these methods provides a robust framework for exploring the research question comprehensively.

3.2.1 Research Philosophy

The study adopts a pragmatist paradigm, prioritising practical consequences and focusing on realities that directly impact trustee decision-making. Pragmatism integrates qualitative and quantitative methods for a balanced approach to trustee motivations while maintaining methodological rigour (Shannon-Baker, 2016). This paradigm aligns with the study's objectives by integrating different data sources to provide actionable insights.

Pragmatism is particularly useful in organisational research, as it allows for flexible methodological choices that suit the specific research problem (Feilzer, 2010). This flexibility is essential in examining the motivations and decision-making behaviours of charity trustees, as it enables a nuanced exploration of subjective experiences while supporting objective generalisations.

3.2.2 Research Approach

This study employs a combination of inductive and deductive reasoning, following the second layer of the Research Onion.

- **Inductive approach:** Thematic analysis of qualitative data is used to identify emerging patterns and generate theory (Saunders et al., 2019). This enables the identification of key themes relating to the experiences of charity trustees.
- **Deductive approach:** Survey responses are analysed using statistical methods to test hypotheses derived from existing theories (Blaikie, 2010). This ensures that findings are grounded in both empirical evidence and theoretical frameworks.

This dual approach enhances the study's reliability, allowing for both exploration and hypothesis testing. The combination of inductive and deductive reasoning ensures that insights derived from qualitative data can be validated against quantitative findings, adding robustness to the conclusions drawn.

Figure 9 illustrates the sequential research approach used in this study, adapted from Saunders et al, 2019.

Figure 9- Research Process Structure

This diagram provides a step-by-step framework guiding the research process, ensuring methodological consistency and rigour.

3.2.3 Research Strategy and Choice

Aligned with the Research Onion's methodological choices layer, this study employs a mixed-methods design, integrating qualitative thematic analysis and quantitative survey analysis (Creswell, 2013). This triangulation ensures a comprehensive analysis, balancing depth with generalisability (Greene, Caracelli, & Graham, 1989).

3.2.4 Time Horizon

The study adopts a cross-sectional design, capturing trustee motivations and decision-making patterns at a specific point in time (Saunders et al., 2018; Bryman, 2016). Cross-

sectional research is appropriate for understanding existing behaviours and motivations without requiring longitudinal tracking. Given time constraints and the study's pilot nature, this approach provides a practical and effective means of analysis.

The choice of a cross-sectional design ensures that the study remains feasible while providing relevant insights into the decision-making processes of charity trustees. Although longitudinal data could offer a more dynamic understanding, the cross-sectional approach allows for an initial assessment of key patterns that may be examined in greater depth in future research.

3.2.5 Scope

The study focuses on UK charity board members, integrating both pre-existing qualitative data and newly collected survey responses. By investigating how intrinsic and EMs influence decision-making, this research provides insights applicable to broader governance practices in the charity sector.

As a pilot study, the findings will inform future experimental research, enabling a more precise examination of decision-making behaviours in voluntary organisations. The mixed-methods approach enhances the study's relevance, ensuring that results are both contextually rich and empirically robust.

3.3 Research Methods - Quantitative

3.3.1 Introduction

This section outlines the quantitative methodology employed in this study, following a Sequential Explanatory design. This approach consists of two distinct phases, where the quantitative data collection and analysis are conducted first, followed by qualitative

methods to further explore and explain the initial findings (Saunders et al., 2019; Creswell & Plano Clark, 2018). The primary data collection method was a survey conducted through QuestionPro. The section details the survey platform, design, distribution, question formulation, sample selection, pilot testing, ethical considerations, and methods to ensure credibility and validity.

Figure 10: Mixed Method research design adapted from Saunders et al., 2019; Creswell & Plano Clark, 2018.

3.3.2 Population and Sample

This study targeted individuals with direct experience in charity board governance to ensure a focused and relevant dataset. The sampling strategy was designed to recruit participants who actively engage in decision-making processes within charities, allowing for a nuanced understanding of the relationship between motivational factors and governance quality.

This group was selected because trustees play a crucial role in shaping strategic direction, decision-making, and operational oversight in charities. Unlike corporate board members, charity trustees serve voluntarily, meaning their motivational drivers and decision-making behaviours may differ significantly from those of profit-driven executives (Deci & Ryan, 2000; Hyndman & McDonnell, 2009).

Considering that charity boards often face challenges with engagement, expertise gaps, and decision-making inefficiencies due to their voluntary nature (Leslie, 2009), focusing on trustees ensures that the research addresses the unique challenges of charity governance

structures. Previous literature indicates that trustees' decision-making is shaped by a combination of intrinsic (personal fulfilment, alignment with values) and extrinsic (networking, recognition) motivations (Finkelstein, 2009; Dwyer et al., 2013). This corresponds with SDT, which highlights the interplay of autonomy, competence, and relatedness in motivation (Deci & Ryan, 2000).

3.3.3 Survey Platform

QuestionPro was the chosen platform for this study, as it is a widely used online survey tool that enables structured data collection while ensuring anonymity and efficiency. It was selected based on its institutional agreement with the UoB, which ensures the software meets information security and legal compliance standards.

One of the key advantages of using QuestionPro was its user-friendly interface, which facilitated seamless survey customisation. Its intuitive design allowed for easy navigation, enabling us to tailor the survey structure, question flow, and response types according to our study's specific requirements. Additionally, QuestionPro's accessibility via web browsers and mobile devices allows respondents to participate at their convenience, thereby increasing response rates and reducing survey attrition (Couper, 2008). This flexibility ensured that the survey was well-aligned with the research objectives while maintaining an optimal respondent experience.

3.3.4 Survey Design and Distribution

The full survey can be found in Appendix 4.

The survey was carefully designed to ensure high-quality data collection while maintaining respondent engagement. To optimise response rates, the total survey duration was kept

under approximately 10 minutes, which aligns with research that suggests that longer surveys lead to declining data quality due to respondent fatigue (Revilla & Ochoa, 2017).

The survey comprised of 5 sections:

Figure 11: Survey Structure

The survey comprised five sections covering key aspects of trustee governance. The first section collected demographic data (age, gender, primary sector, trustee experience, and charity size) for response segmentation. The second examined intrinsic and extrinsic motivations using SDT (Deci & Ryan, 2000), focusing on personal fulfilment, professional recognition, and networking.

The third section assessed decision-making preferences, incorporating group dynamics and stakeholder pressures (Freeman, 2010; Leslie, 2009), as well as elements from the Perceptual Determinants Model (Sargeant, 1999). The fourth explored risk preferences

through hypothetical financial scenarios (Hyndman & McDonnell, 2009). The final section investigated the voluntary nature of trusteeship and its impact on decision-making efficiency (Leslie, 2009; Elmagrhi et al., 2018).

The survey was distributed through multiple channels, including the Charity Excellence Framework's newsletter, LinkedIn network contacts, and direct support from sector organisations such as the Charity Finance Group (CFG) and the Association of Chairs (AofC). Additionally, former employees of Getting on Board (a now-closed charity) played a role in sharing the survey. This broad outreach ensured a diverse range of trustee responses, strengthening the study's contribution to charity governance and trustee decision-making discussions. The targeted approach and validated methodology enhance the study's meticulousness, contributing to the academic discourse on charity governance and trustee decision-making (Jolliffe & Cadima, 2016).

3.3.5 Survey Question Design

The survey was designed for clarity, accessibility, and methodological rigour to collect reliable data. It employed Likert-scale, multiple-choice, and open-ended questions to assess trustee motivations, decision-making preferences, and governance experiences, ensuring a balance of quantitative precision and qualitative depth.

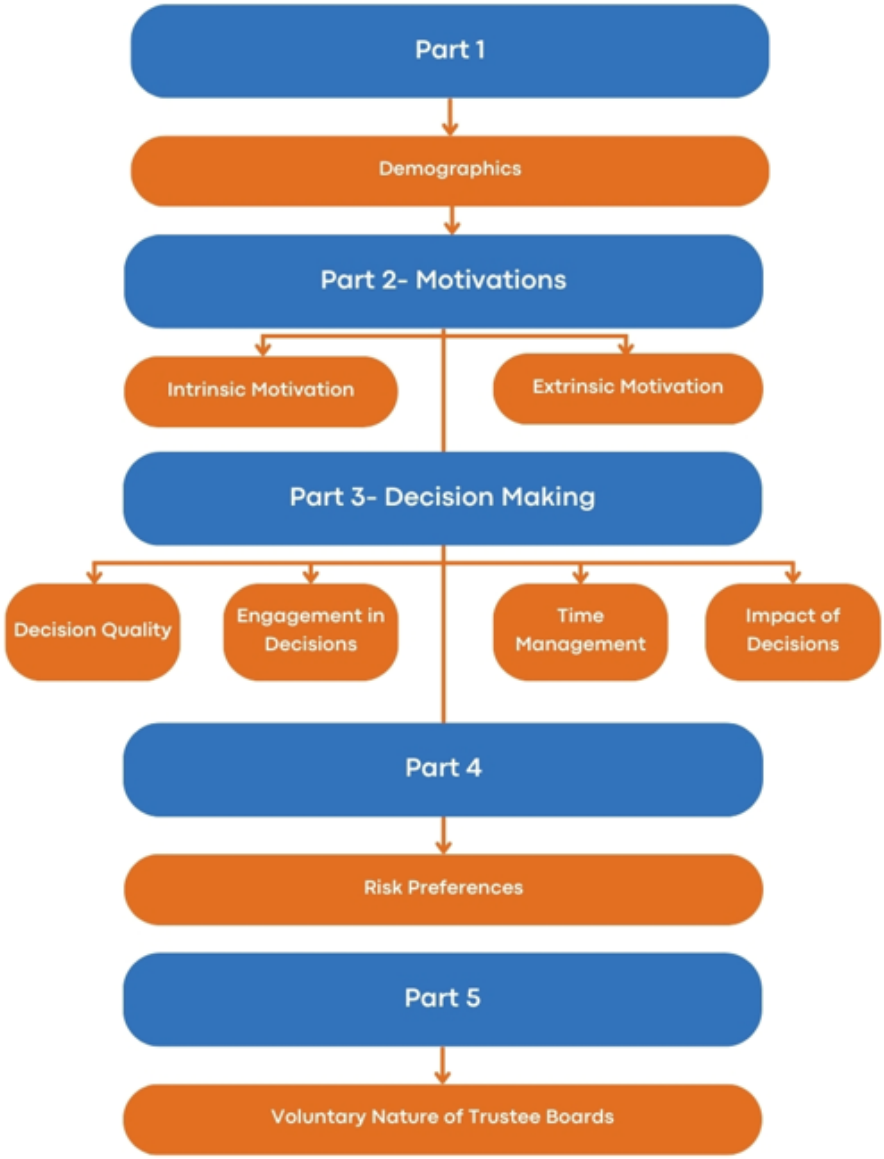

Figure 12: Survey Design

A 5-point Likert scale (Never to Always) measured attitudes and behaviours, capturing both direction and intensity (Joshi et al., 2015). Recognised for structured data collection (Norman, 2010), the Likert scale facilitated the analysis of variable relationships. To enhance

validity and reliability, questions were neutrally worded to minimise response bias (Saunders, 2019).

The survey had five sections aligned with the research objectives. The first gathered demographic and contextual data, supporting comparative analysis. The second measured intrinsic and extrinsic motivations for board service, based on Self-Determination Theory (Deci & Ryan, 2000). Likert-scale items were supplemented with open-ended responses for depth.

Decision-making preferences were examined in the third section, assessing board engagement, consensus-building, and governance efficiency using stakeholder governance models (Freeman, 2010). The fourth evaluated risk preferences through hypothetical financial scenarios, reflecting behavioural economics research (Slovic, 2000).

The final section explored the impact of unpaid trustee roles on professional obligations, time management, and engagement (Hyndman & McDonnell, 2009), offering insights into voluntary governance challenges.

3.3.6 Pilot Survey

A pilot survey acts as a preliminary test to identify any flaws in the questionnaire and improve its clarity and reliability (Van Teijlingen and Hundley, 2001). To achieve this, the survey was distributed among friends and family members of the research team, ensuring diverse yet controlled feedback. Participants were asked to evaluate question clarity, structure, and usability through an open-ended question at the end of the pilot. Feedback then led to minor revisions in wording and response options to enhance clarity and accuracy. The refined survey was then finalised for full distribution.

3.3.7 Ethical Considerations

Bryman (2021) describes research ethics as the fundamental principles that ensure researchers conduct their work with integrity, openness, and respect for the rights of participants. When distributing the survey to pre-existing members of the Charity Excellence Framework, participation was entirely voluntary, and informed consent was implicit through engagement. In accordance with the UoB's ethical approval process, a consent form and information sheet were created and are available upon request. Participants retained the right to withdraw at any time without consequence. Additionally, a section at the end of the survey allowed respondents to express interest in future studies or receive results—this was the only instance in which non-anonymous data was requested. No personally identifiable information was collected, ensuring full compliance with data protection and confidentiality standards.

3.3.8 Controlling Biases

To ensure the reliability and validity of the survey data, several measures were implemented to minimise potential biases. Reliability refers to the consistency and reproducibility of results, while validity concerns the extent to which the survey accurately measures the intended constructs (Bell, Harley and Bryman, 2022; Cohen, Manion and Morrison, 2018). Recognising the potential for bias in self-reported data, careful strategies were adopted, as outlined in Table 3.

Type of Bias	Issue	Mitigation Strategy
Selection Bias	Selection bias occurs when the sample is not representative of the target population, leading to skewed results (Smith and Noble, 2014).	The survey was distributed to pre-existing members of the Charity Excellence Framework, ensuring that only individuals with direct charity experience participated.
Non-Response Bias	Participants who enter the survey but do not complete it may create inconsistencies in the dataset (Prince and Clark, 2012).	The survey was kept under 10 minutes to maintain engagement. The incomplete responses, of which there were 74 out of the total 242 responses, were excluded from the final dataset to ensure data consistency.
Random Answers	Respondents may provide inaccurate or rushed responses if they do not fully read or understand the questions (Kelley et al., 2003).	Questions were clearly worded using plain English to minimise confusion. Complex concepts were either avoided or broken down into simpler terms to enhance response accuracy.
Social Desirability Bias	Respondents may alter their answers to align with perceived social norms rather than their true beliefs (Grimm, 2010).	The survey was anonymous, reducing pressure on participants to provide socially desirable responses and encouraging honest answers.

Table 3- Types of Bias and Mitigation Strategies

By implementing these bias control measures, the study ensured that the findings were methodologically robust, allowing for a more accurate and meaningful interpretation of charity trustees' motivations and decision-making behaviours.

3.4 Research Methods - Qualitative

3.4.1 Introduction

This section outlines the qualitative research methodology employed to explore intrinsic and extrinsic motivations in charity board members' decision-making processes. Utilising primary and secondary data from the Charity Excellence Benchmark Survey (2024), this study applies thematic analysis to identify key patterns in decision-making. The qualitative approach enriches the quantitative findings by uncovering aspects of decision-making that are not fully captured through numerical analysis (Braun & Clarke, 2006).

3.4.2 Benchmarking Survey

The qualitative component of this research is based on secondary data analysis from the Charity Excellence Benchmark Survey (2024). It includes open-ended responses, allowing for an in-depth exploration of themes relevant to intrinsic and EMs. By leveraging this dataset, the study gains access to real-world perspectives from charity trustees across different organisations. Secondary data analysis is particularly useful in studies where time and resources are limited, as it allows researchers to extract insights from pre-existing datasets rather than conducting new primary research (Johnston, 2017; Tripathy, 2013).

3.4.3 Design – Survey Monkey

The Charity Excellence Benchmark Survey was originally designed and distributed through SurveyMonkey, a widely used platform for collecting large-scale survey responses.

SurveyMonkey ensures a structured approach to data collection, maintaining consistency in question format and participant responses. The survey included both multiple-choice and open-ended questions to capture a range of perspectives. For this study, only the open-ended responses were analysed qualitatively.

3.4.4 Measurements and Methods

To analyse the qualitative data, this study employs thematic analysis as outlined by Braun & Clarke (2006). The following steps were undertaken:

- Familiarisation with Data – The Charity Excellence Benchmark Survey dataset was reviewed to understand its structure and content.
- Theme Refinement – Themes were cross-referenced with survey responses to ensure consistency and accuracy in interpretation.
- Validation – Findings were reviewed against existing literature on Charity governance to establish external validity (Cornforth, 2012).

Using NVivo software, qualitative responses were further analysed to identify co-occurring themes and patterns. NVivo facilitates systematic coding and data organisation, ensuring a transparent and replicable approach to qualitative research (Zamawe, 2015).

3.4.5 Sampling and Population

The secondary dataset consists of responses from charity trustees across the UK, covering various organisations, including small community-based and large national charities. Given the nature of secondary data analysis, the research relies on the sampling strategy employed by the Charity Excellence Benchmark Survey. This survey was designed to capture

insights from individuals actively involved in governance roles, providing a credible basis for examining trustee motivations (Bryman, 2016).

The final qualitative dataset included responses from approximately 500 charity board members who provided detailed reflections on their motivations and decision-making experiences. While secondary data analysis limits control over sample selection, it offers a rich dataset that would be difficult to replicate within the scope of a single study (Johnston, 2017).

3.4.6 Ethical Considerations

Ethical approval for this research was granted by the UoB Ethics Committee, ensuring compliance with university guidelines on participant confidentiality and data protection. Since this study uses secondary data, additional ethical considerations include:

- Informed Consent – The original survey obtained consent from participants for academic research use.
- Anonymisation – All personally identifiable information was removed before analysis to maintain participant confidentiality (British Psychological Society, 2017).
- Data Security – Data was securely stored in compliance with GDPR and university policies on data protection (European Commission, 2018).

3.4.7 Controlling Biases, Credibility, and Validity

Several measures were implemented to control biases and enhance trustworthiness:

Potential Bias	Issue	Mitigation Strategy
Researcher Bias (preconceived notions about motivations)	Researchers may unintentionally interpret data through their own perspectives, influencing theme identification. (Galdas, 2017)	Adopted a structured coding framework and conducted peer review of theme development.
Selection Bias (limited to respondents of the benchmark survey)	The sample is restricted to those who participated in the Charity Excellence Benchmark Survey, potentially excluding diverse perspectives. (Principe, 2022)	Compared findings with external literature on trustee decision-making to check for consistency.
Response Bias (social desirability in self-reported motivations)	Respondents may overstate altruistic motives or underreport extrinsic motivations due to social expectations. PubMed. (Júnior and Patrício, 2022)	Triangulated qualitative themes with quantitative survey data to assess alignment.
Interpretation Bias (overemphasis on certain themes)	Certain themes might be disproportionately highlighted while others are overlooked, leading to skewed conclusions.	Used NVivo for systematic coding and theme validation.

Table 4- Controlling Biases

These strategies strengthen the reliability and objectivity of qualitative findings (Shenton, 2004).

4. Findings

The findings section objectively presents the outcomes of the research into charity trustee decision-making, with a focus on the factors that predict and influence these processes. The results aim to provide insights into how motivations and the voluntary nature of trusteeship shape strategic charity decisions, offering meaningful contributions to the understanding of charity organisational effectiveness.

The analysis comprises both empirical and secondary data sources. The empirical data consists of a Likert-scale survey distributed to trustees, yielding 242 responses with 168 completed, capturing self-reported responses on motivations, decision-making, risk preferences, and the impact of the voluntary nature of their roles. The secondary data is from The Charity Excellence Framework 2024 and 2023 Trustee Surveys, including comparable Likert-scale self-reported responses across various aspects of trusteeship. The secondary data features a larger sample of 748 responses combined across both years, thus complementing and enriching the findings of the empirical research.

The findings are structured around three core variables: motivations, voluntary impact, and risk preferences. The analysis utilises univariate analysis to provide an overview of how each core variable appears within the sample, while bivariate analysis assesses the factors predicting these core variables and their effect on trustee decision-making. The bivariate analysis employs a range of statistical methods, including linear regression, ordinal regression, Kruskal-Wallis, and Mann-Whitney U tests, to provide a comprehensive assessment of variable relationships. The analysis results are presented in a consistent, objective format, explaining the key details and concluding with a concise summary of the

outcome. Furthermore, beyond the quantitative data, the analysis is enriched by a qualitative section that explores key insights derived from open-ended survey questions that support a deeper understanding of trustee perspectives.

The data underpinning this study provides a solid foundation for exploring trustee decision-making, however, certain limitations require consideration. The primary dataset comprises 168 completed responses, a modest sample size that to an extent will be affected by self-selection bias, which arises when there is a significant difference in characteristics between individuals who volunteer for a study and non-participants (Alarie and Lupien, 2021). In addition, marginal Exploratory Factor Analysis (EFA) reliability is noted for some variables, with Cronbach's Alpha values slightly below 0.7, though these were deemed acceptable for exploratory research. Furthermore, the EFA conducted on the set of risk preference questions revealed poor reliability, with a Cronbach's Alpha of 0.483 and low communalities (0.073-0.307), deeming it unacceptable for analysis, thus leading to the selection of a single Likert-scale question as the most suitable option to measure risk preferences. Further concerns regard the arbitrariness of mid-point estimates for transformed variables and a potential social desirability bias of self-reported responses, referring to respondents' tendency to admit to socially desirable traits (e.g., IM) and deny socially undesirable traits (e.g., EM) (Krumpal, 2013). These limitations suggest a prudent interpretation of the results, however, the data remains robust and objectively presented, offering valuable insights that enable governance processes to be adapted, thereby enhancing decision-making and the organisational effectiveness of charities.

4.1 Motivations

Motivation is split into intrinsic and EM, referring to the extent to which trustees serve on their board due to internal reasons (e.g., personal fulfilment) or external reasons (e.g., career progression or recognition).

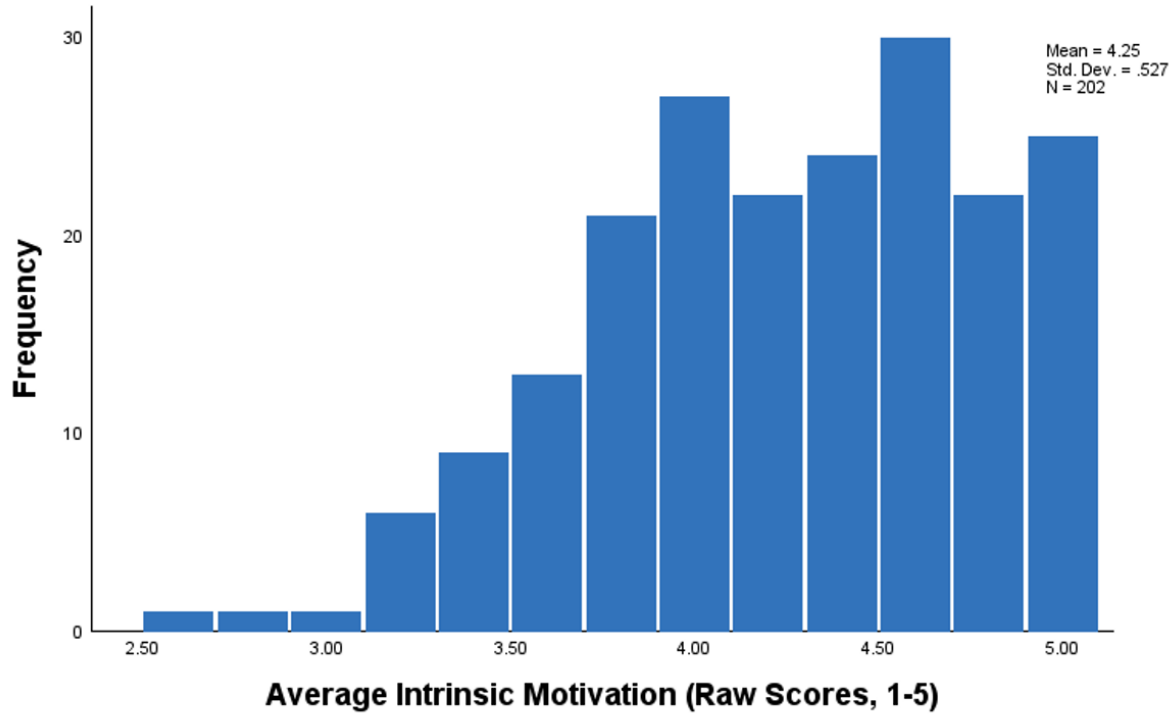

Figure 13: Distribution of Average Intrinsic Motivation Scores

The mean IM score from the raw Likert-scale responses is 4.25 (SD = 0.52), while the mean EM score is 2.72 (SD = 0.86), indicating that, overall, trustees in this sample tend to be highly intrinsically motivated and exhibit low EM. The distribution of IM scores exhibit a negative skew, with the majority of respondents reporting higher scores (closer to 5) and fewer reporting lower scores. This cluster of high score responses represent a ceiling effect, which refers to the inability to record values beyond the scale's highest option (Voutilainen et al., 2016). Whereas the EM responses show a more balanced distribution of scores.

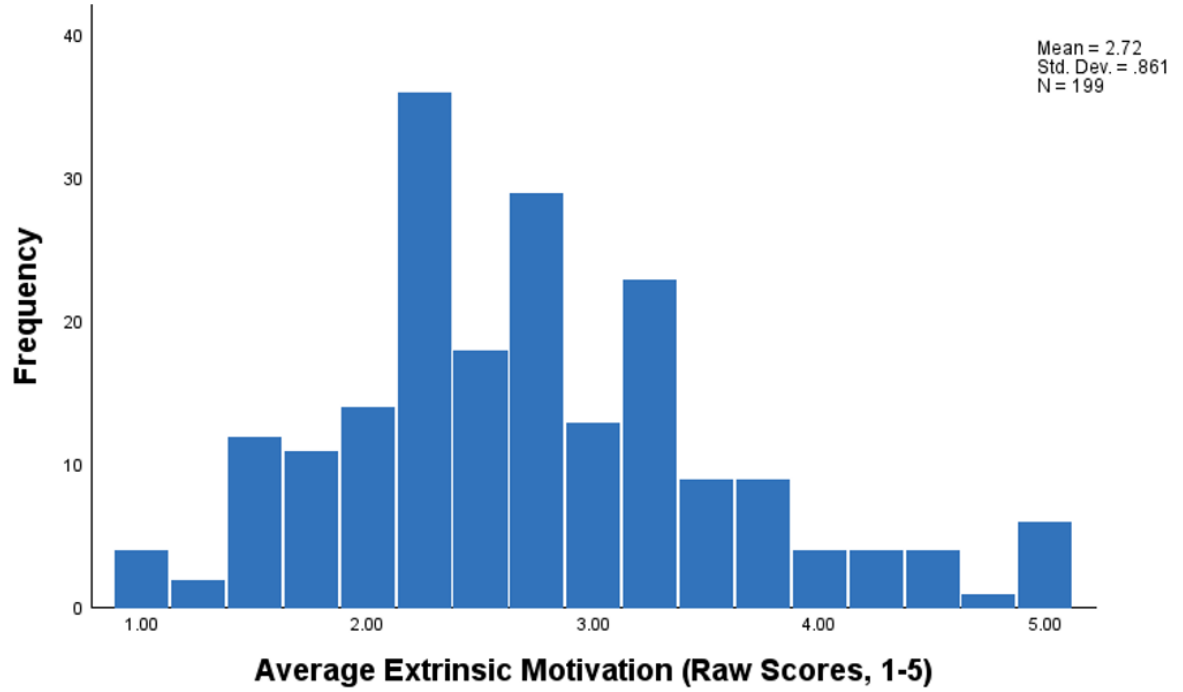

Figure 14: Distribution of Average Extrinsic Motivation Scores

To conduct regression analyses, the Likert-scale responses are transformed into motivation factor scores. A positive relationship is observed between the intrinsic and EM ($R^2 = 0.149$, $p < 0.001$), disproving the anticipated negative relationship and suggesting that trustees with greater overall motivation may be driven by both internal and external reasons.

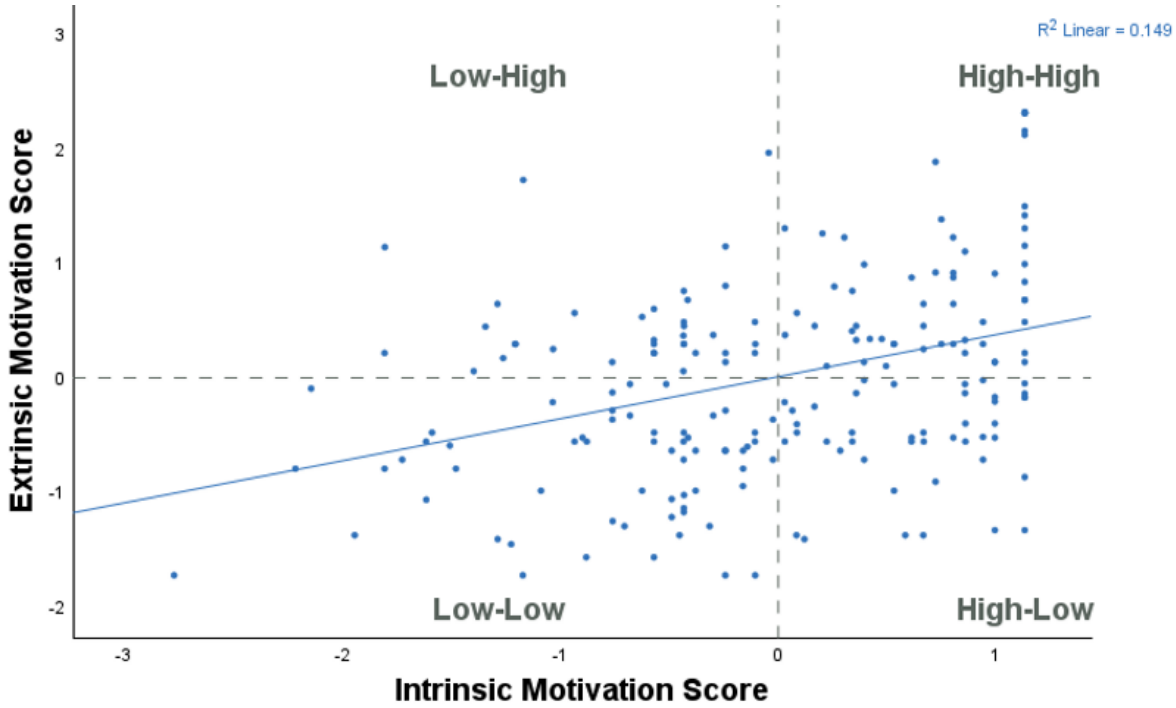

Figure 15: Intrinsic vs. Extrinsic Motivation

4.1.1 Predictors of Motivations

Hypothesis: "Trustees at larger charities will tend to exhibit higher EM."

Data: Primary

Statistical Test: A linear regression was conducted because the dependent variable, EM, is continuous, derived from averaging multiple Likert-scale responses. A linear regression is used for modelling the relationship between a continuous dependent variable and one or more predictors to evaluate the predictive impact (Singh and Mishra, 2024).

Variables: The independent variable, charity size, was measured through a single multiple-choice question where respondents selected their charities' annual income from multiple income bands. To conduct a linear regression, the ranges were converted to their mid-points (e.g., £5,000 for under £10K, £54,500 for £10K–£99K, etc., with £6,500,000 estimated for above £3M), posing a limitation due to the arbitrariness of the mid-point estimate for the highest income band. The dependent variable, EM, was measured by averaging multiple Likert-scale responses to statements assessing the extent to which trustees serve on their board due to external reasons, originally consisting of six questions, two were removed due to poor fit in the Exploratory Factor Analysis (EFA) process. EFA confirmed two factors with a Kaiser-Meyer-Olkin (KMO) measure of 0.780, a significant Bartlett's Test ($p < 0.001$), and a Cronbach's Alpha of 0.775 for Factor 1, proving a reliable measure of EM.

Result: The linear regression analysis revealed that charity income does not significantly predict EM (F-value = 0.095, p-value = 0.758, $R^2 < 0.001$), meaning it explains none of the variation in trustees' external motivations. The hypothesis that "Trustees at larger charities will tend to exhibit higher EM." is rejected due to the lack of any significant connection.

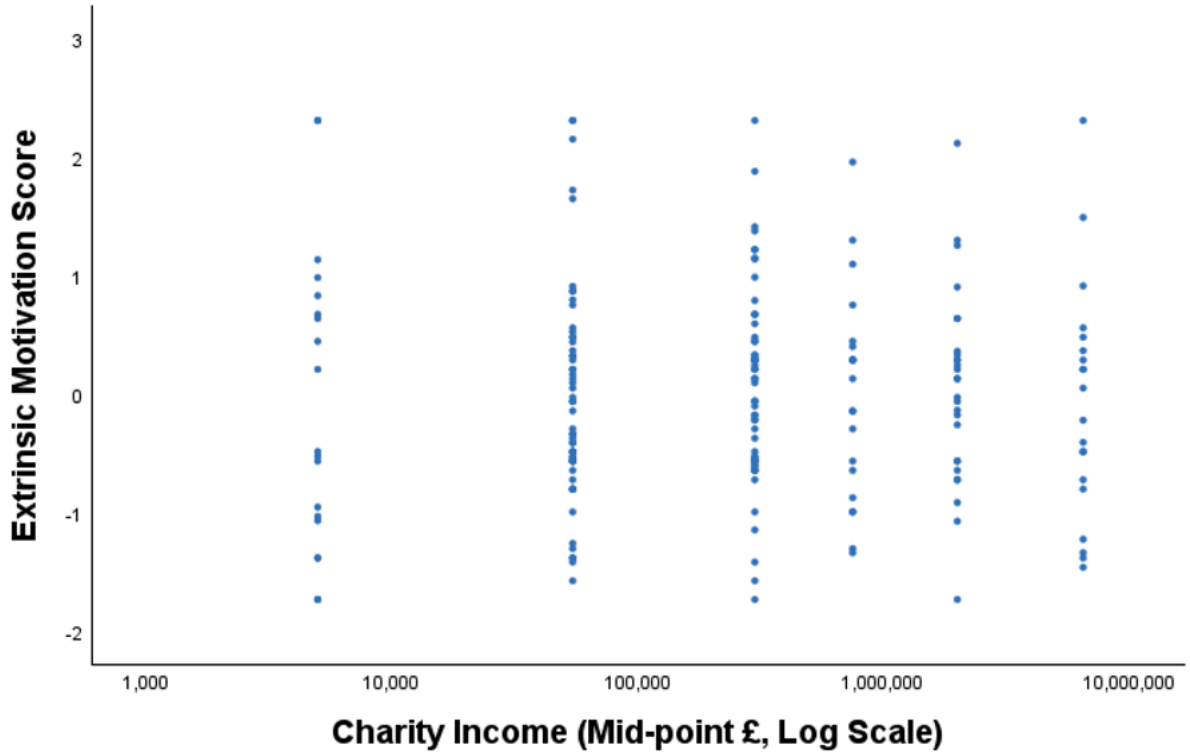

Figure 16: Charity Income vs. Extrinsic Motivation

Test & Variables	Statistic (Value, p-value)	Additional	Relationship	Hypothesis
Linear Regression: Charity Income – EM	F (0.095, 0.758)	$R^2 < 0.001$	None	Rejected

Hypothesis: "Trustees with more experience will tend to exhibit higher IM."

Data: Primary

Statistical Test: A linear regression was conducted because the dependent variable, IM, is continuous, derived from averaging multiple Likert-scale responses.

Variables: The independent variable, trustee experience, was measured through a single multiple-choice question where respondents selected their experience as a trustee from multiple year ranges. To conduct a linear regression, the ranges were converted to their

mid-points (e.g., 0.5 years for less than 1 year, 3 years for 1–5 years, etc., with 25 years estimated for more than 20 years), a potential limitation due to the arbitrariness of the mid-point estimate for the highest experience band. The dependent variable, IM, was measured by averaging multiple Likert-scale responses to statements assessing the extent to which trustees serve on their board due to internal reasons, originally consisting of six questions, one question was removed due to poor fit in the EFA process. EFA confirmed a unidimensional construct with a Kaiser-Meyer-Olkin (KMO) measure of 0.753, a significant Bartlett's Test ($p < 0.001$), and a Cronbach's Alpha of 0.692, proving a marginally reliable measure of IM.

Result: The linear regression analysis showed that trustee experience does not significantly predict IM (F-value = 0.118, p-value = 0.731, $R^2 = 0.001$). This means that years of experience have no noticeable predictive power on trustees' internal motivations. The hypothesis that "Trustees with more experience will tend to exhibit higher IM" is rejected due to the lack of any significant relationship.

Figure 17: Trustee Experience vs. Intrinsic Motivation

Test & Variables	Statistic (Value, p-value)	Additional	Relationship	Hypothesis
Linear Regression: Trustee Experience – IM	F (0.118, 0.731)	$R^2 = 0.001$	None	Rejected

Hypothesis: "Older trustees will tend to exhibit higher IM."

Data: Primary

Statistical Test: A linear regression was conducted because the dependent variable, IM, is continuous, derived from averaging multiple Likert-scale responses.

Variables: The independent variable, trustee age, was measured through a single multiple-choice question where respondents selected their age from multiple year ranges. To conduct a linear regression, the ranges were converted to their mid-points (e.g., 25 years for under 30, 34.5 years for 30–39, etc., with 75 years estimated for 70 or above), a potential limitation due to the arbitrariness of estimates for below 30 and above 70. The dependent variable, IM, was measured by averaging multiple Likert-scale responses that aim to assess the extent to which trustees serve on their board due to internal reasons.

Results: The linear regression analysis for IM revealed a statistically significant but modest predictive effect of age (F-value = 5.515, p-value = 0.020, $R^2 = 0.027$, B = -0.011). This suggests that older trustees tend to have lower intrinsic motivation, though the low R^2 value indicates minimal predictive power, implying the effect has limited practical relevance. As a result, the hypothesis that "Older trustees will tend to exhibit higher IM" is rejected.

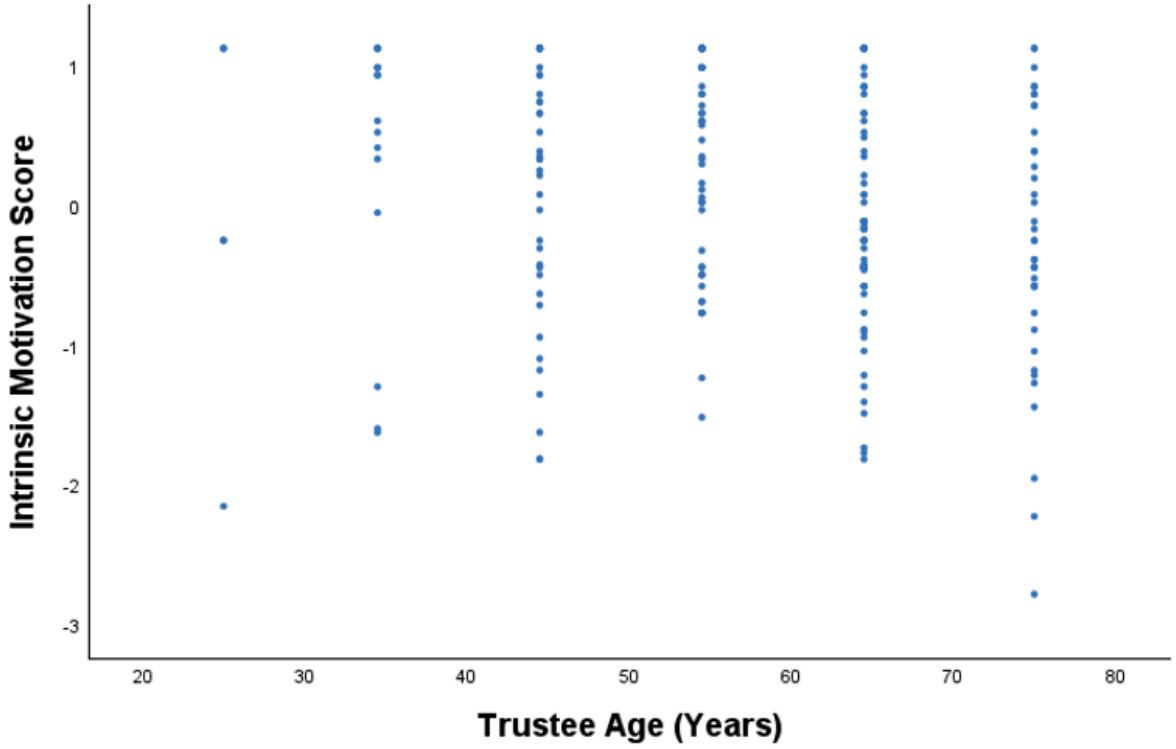

Figure 18: Trustee Age vs. Intrinsic Motivation

Test & Variables	Statistic (Value, p-value)	Additional	Relationship	Hypothesis
Linear Regression: Trustee Age – IM	F (5.515, 0.020)	$R^2 = 0.027$	Negative	Rejected

In addition, the linear regression carried out for EM revealed a statistically significant yet modest predictive effect of age (F-value = 7.766, p-value = 0.006, $R^2 = 0.038$, B = -0.013). This indicates that age similarly predicts lower extrinsic motivation. However, the small R^2 value indicates limited predictive power, suggesting that the effect of age on overall motivation, both intrinsically and extrinsically, is negligible.

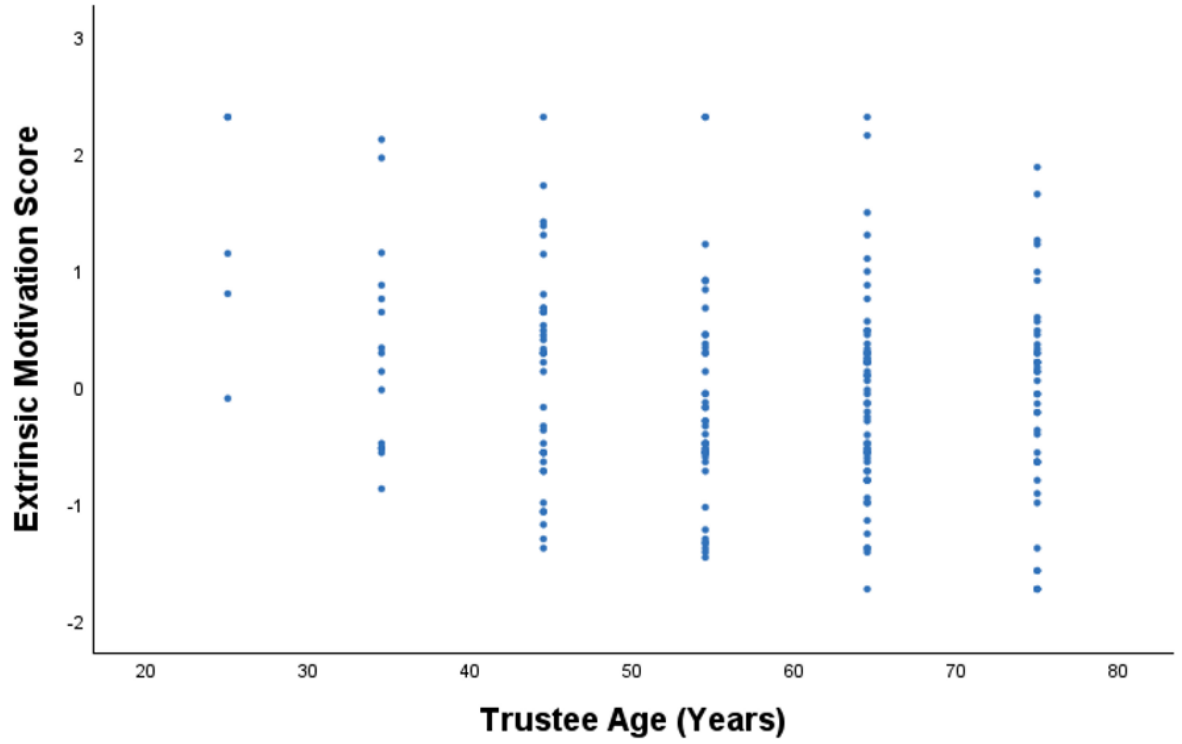

Figure 19: Trustee Age vs. Extrinsic Motivation

Test & Variables	Statistic (Value, p-value)	Additional	Relationship	Hypothesis
Linear Regression: Trustee Age – EM	F (7.766, 0.006)	$R^2 = 0.038$	Negative	N/A

4.1.2 Motivation Effects on Decision-Making

Hypothesis: "Trustees with higher IM will make more effective decisions."

Data: Primary

Statistical Test: A linear regression was conducted because the dependent variable, decision-making effectiveness, is continuous, derived from averaging multiple Likert-scale responses.

Variables: The independent variable, IM, was measured by averaging multiple Likert-scale responses that aim to assess the extent to which trustees serve on their board due to

internal reasons. The dependent variable, decision-making effectiveness, was measured by averaging multiple Likert-scale responses to statements that aim to assess the effectiveness of decision-making, originally consisting of twenty-two questions, with seven removed due to poor fit in the EFA process. EFA identified two factors with a Kaiser-Meyer-Olkin (KMO) measure of 0.904, a significant Bartlett's Test ($p < 0.001$), and a Cronbach's Alpha values of 0.792 for Factor 1, proving a reliable measure of decision-making effectiveness.

Result: The linear regression analysis indicated that IM significantly affects decision-making effectiveness (F-value = 12.028, p-value < 0.001, $R^2 = 0.065$), with a positive coefficient (B = 0.278). This means that trustees with higher IM tend to make more effective decisions, with a weak to moderate positive correlation indicating a meaningful relationship, explaining 6.5% of the variation. The hypothesis that "Trustees with higher IM will make more effective decisions" is supported by this relationship.

Test & Variables	Statistic (Value, p-value)	Additional	Relationship	Hypothesis
Linear Regression: IM – Decision-Making Effectiveness	F (12.028, < 0.01)	$R^2 = 0.065$	Positive	Supported

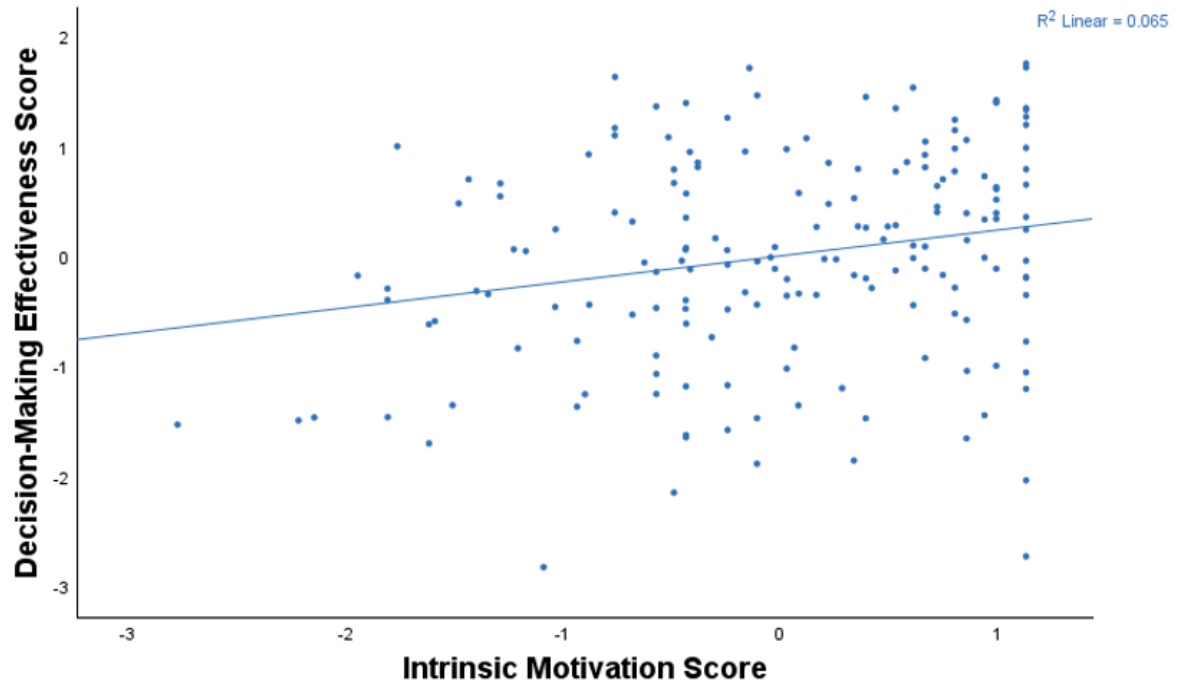

Figure 20: Intrinsic Motivation vs. Decision-Making Effectiveness

In addition, a linear regression was conducted for EM and showed no significant effect on decision-making effectiveness (F-value < 0.001, R^2 < 0.001, p = 0.986), indicating that EM does not impact decision-making effectiveness.

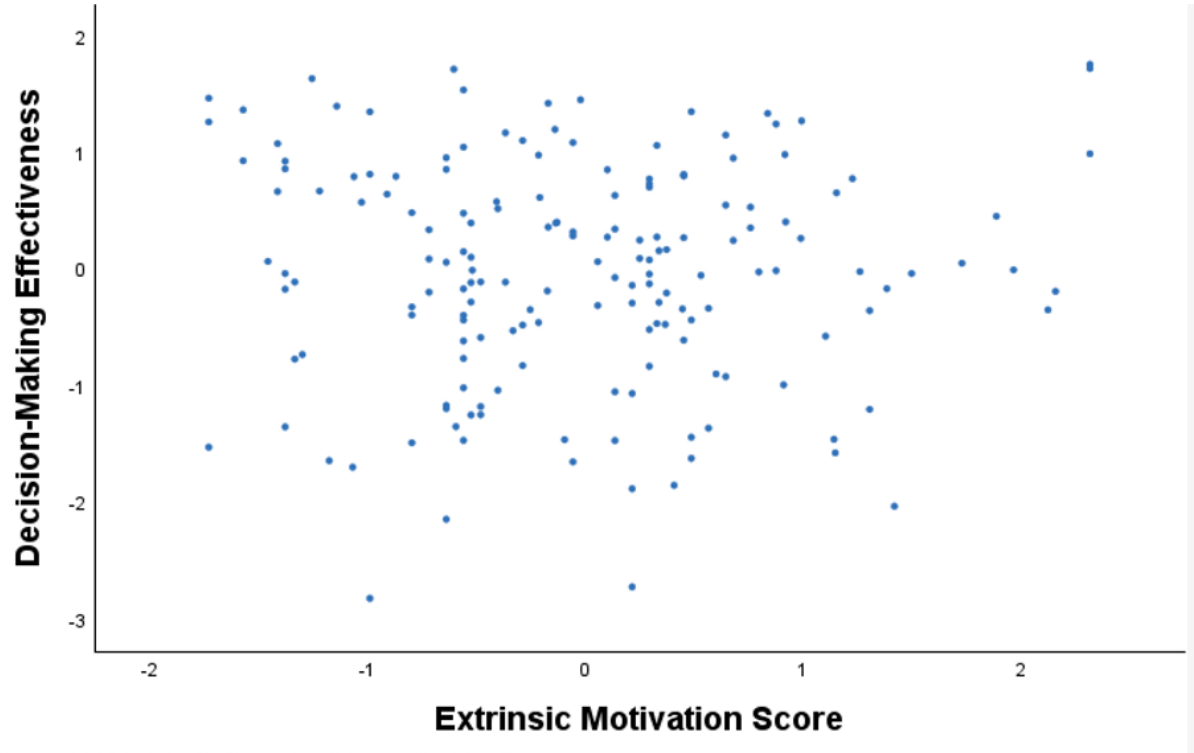

Figure 21: Extrinsic Motivation vs. Decision-Making Effectiveness

Test & Variables	Statistic (Value, p-value)	Additional	Relationship	Hypothesis
Linear Regression: EM – Decision-Making Effectiveness	F (< 0.001, 0.986)	R^2 < 0.001	None	N/A

Hypothesis: "Trustees with higher IM will make more mission-aligned decisions."

Data: Primary

Statistical Test: An ordinal regression was conducted because the dependent variable, mission alignment, is ordinal, derived from a single Likert-scale response. An ordinal regression is used for modelling the relationship between an ordinal dependent variable and a continuous or categorical predictor to evaluate its predictive impact (French and Shotwell, 2022).

Variables: The independent variable, IM, was measured by averaging multiple Likert-scale responses that aim to assess the extent to which trustees serve on their board due to internal reasons. The dependent variable, the mission-alignment of decision-making, was derived from a single Likert-scale question (1-5, higher values representing greater mission alignment) where respondents indicated the extent to which board decisions align with the charity's mission.

Result: The ordinal regression analysis revealed that IM significantly influences mission alignment among trustees (Chi-Square = 157.612, $p < 0.001$), with Pseudo R^2 (0.579–0.713) indicating a moderate to strong effect. This means that trustees with higher IM are more likely to make decisions aligned with their charity's mission, showing a clear positive link.

The hypothesis that “Trustees with higher IM will make more mission-aligned decisions” is supported by this strong connection.

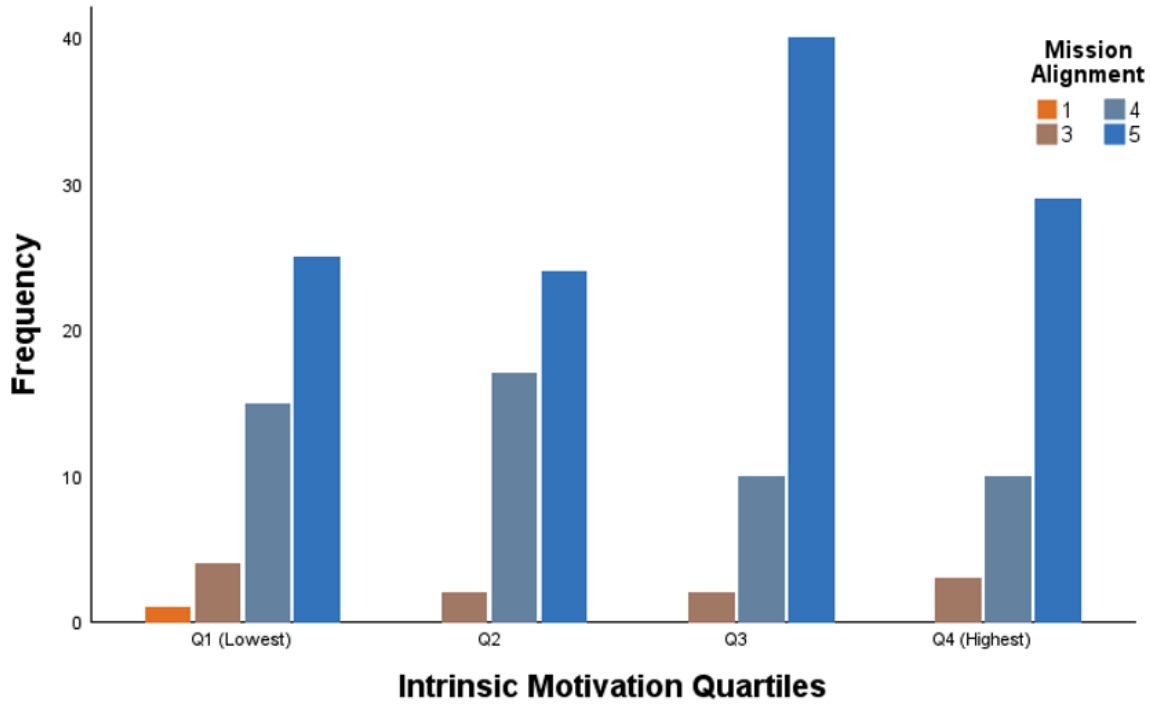

Figure 22: Mission Alignment across Intrinsic Motivation Quartiles

Test & Variables	Statistic (Value, p-value)	Additional	Relationship	Hypothesis
Ordinal Regression: IM – Mission Alignment	Chi-Square (157.612, < 0.001)	Pseudo R^2 = 0.579 - 0.713	Positive	Supported

In addition, the test was repeated with EM, revealing a significant negative relationship (Chi-Square = 171.289, p = 0.026, Pseudo R^2 = 0.618-0.757), indicating that higher EM predicts less mission aligned decision-making, contrasting the intrinsic finding.

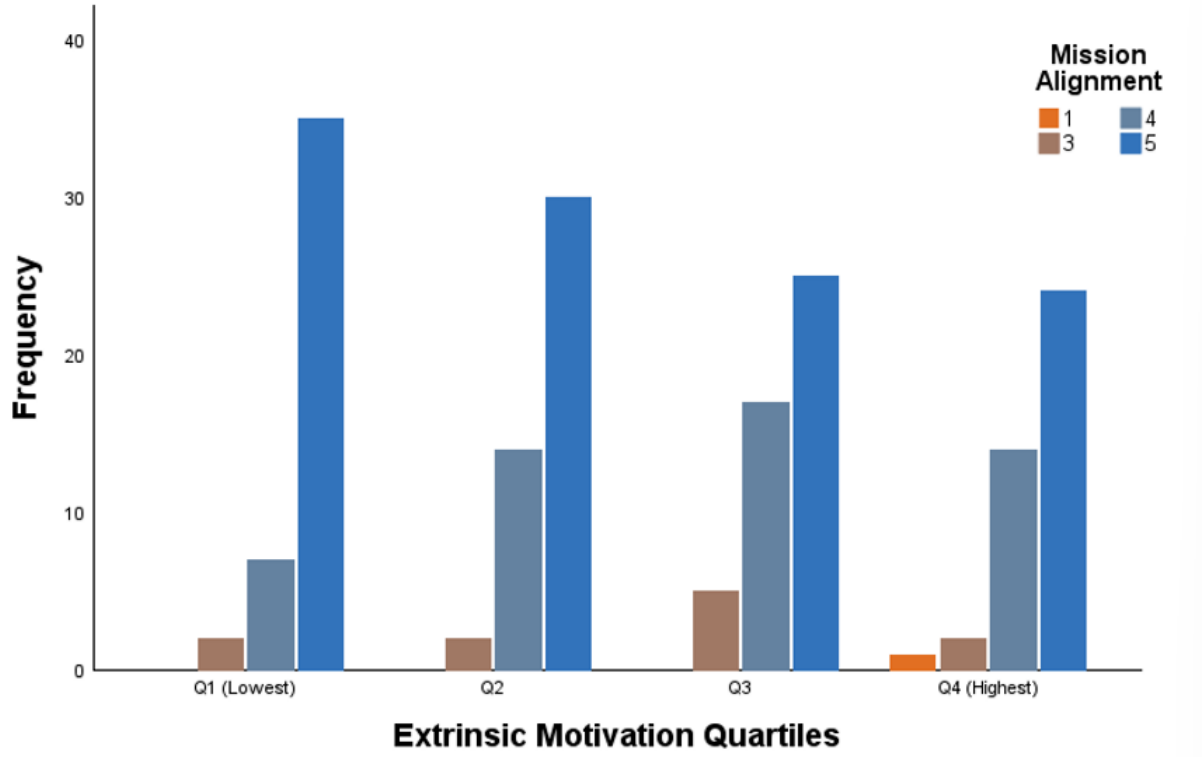

Figure 23: Mission Alignment across Extrinsic Motivation Quartiles

Test & Variables	Statistic (Value, p-value)	Additional	Relationship	Hypothesis
Ordinal Regression: EM – Mission Alignment	Chi-Square (171.289, 0.026)	Pseudo R^2 = 0.618 - 0.757	Negative	N/A

4.2 Voluntary Impact

Voluntary impact refers to the extent to which trustees' commitment to their duties is affected by the unpaid nature of their role. The mean voluntary impact score from the raw Likert-scale responses in the primary data is 2.432 (SD = 0.776), this is consistent with the data of the single Likert-scale response in the secondary data (Mode = 1), indicating that, overall, in both samples trustees tend to not be very impacted by the voluntary nature of the role. The distribution of voluntary impact scores exhibits a clear positive skew.

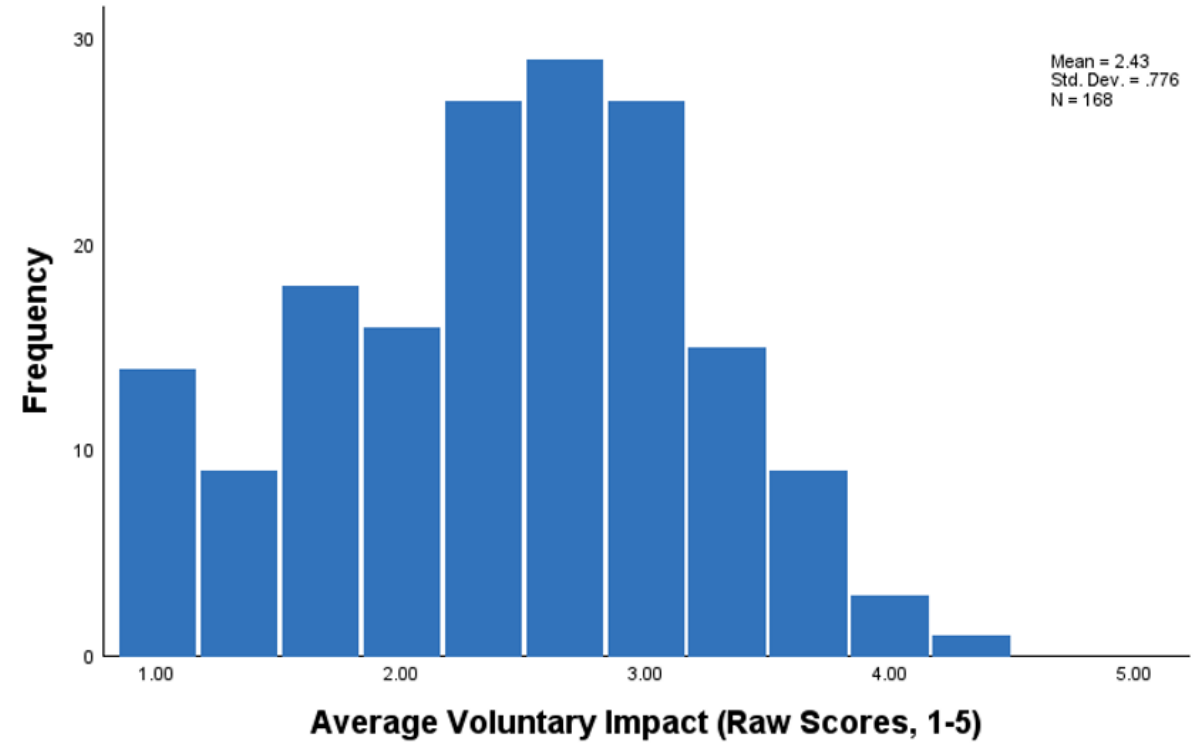

Figure 24: Distribution of Average Voluntary Impact Scores

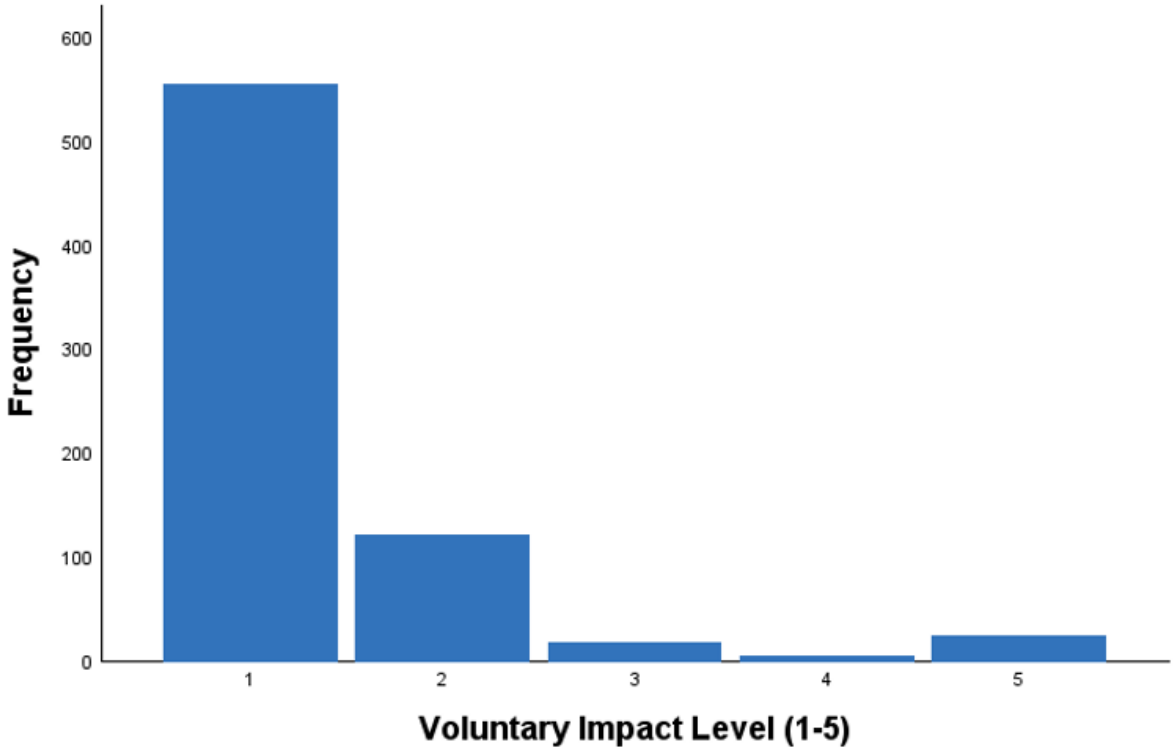

Figure 25: Distribution of Voluntary Impact Responses (Secondary Data)

4.2.1 Effects of Voluntary Impact

Hypothesis: "Older trustees will tend to be less impacted by the voluntary nature of trusteeship."

Data: Primary

Statistical Test: A linear regression was conducted because the dependent variable, voluntary impact, is continuous, derived from averaging multiple Likert-scale responses.

Variables: The independent variable, trustee age, was measured through a single multiple-choice question where respondents selected their age from multiple year ranges. To conduct a linear regression, the ranges were converted to their mid-points. The dependent variable, voluntary impact, was measured by averaging multiple Likert-scale responses to statements that aimed to assess the extent to which trustees are impacted by the voluntary nature of trusteeship. To conduct a linear regression, the Likert-scale data was transformed into a factor score distributed around a mean of zero using factor analysis. The Exploratory Factor Analysis (EFA) confirmed a unidimensional construct with a Kaiser-Meyer-Olkin (KMO) measure of 0.653, a significant Bartlett's Test ($p < 0.001$), and a Cronbach's Alpha of 0.671, proving a marginally reliable measure of voluntary impact.

Result: The linear regression analysis indicated that trustee age significantly predicts voluntary impact (F-value = 41.600, p-value < 0.001, $R^2 = 0.200$), with a negative coefficient (B = -0.028). This means that as trustees get older, they tend to feel less burdened by the voluntary role, with a moderate positive correlation explaining 20% of the variation. The hypothesis that "Older trustees will tend to be less impacted by the voluntary nature of trusteeship" is supported by this relationship.

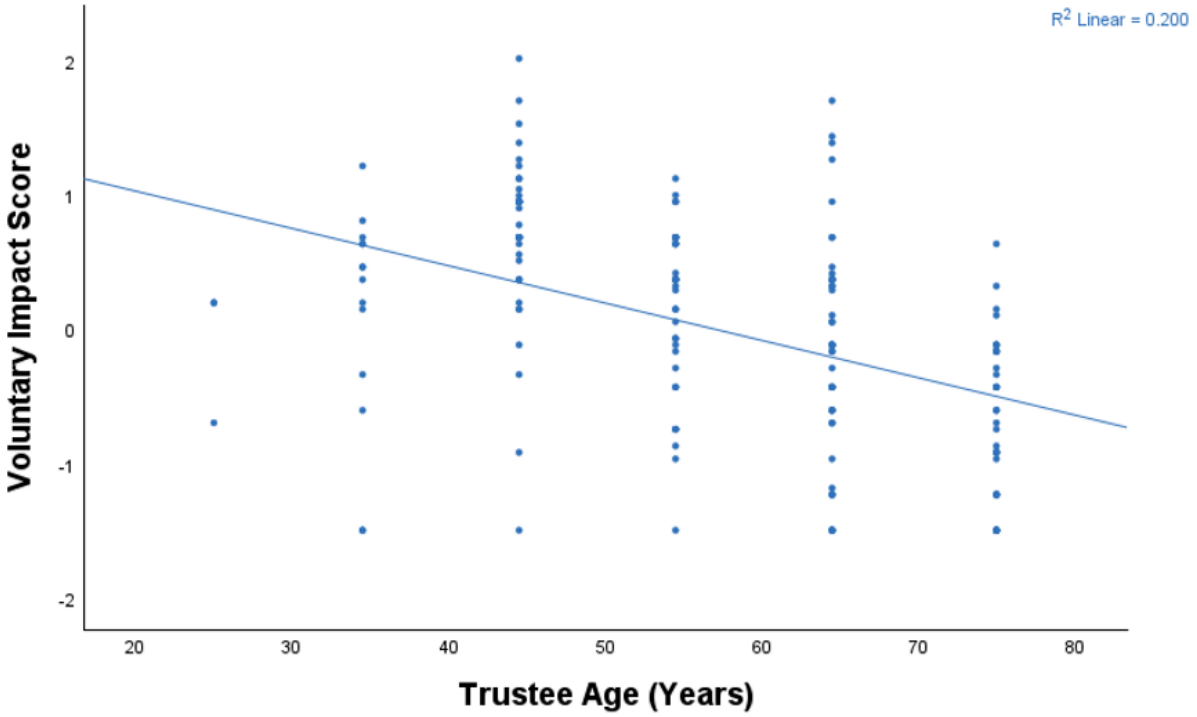

Figure: 26: Trustee Age vs. Voluntary Impact

Test & Variables	Statistic (Value, p-value)	Additional	Relationship	Hypothesis
Linear Regression: Trustee Age – Voluntary Impact	F (41.600, < 0.001)	$R^2 = 0.200$	Negative	Supported

4.2.2 Voluntary Impact Effects on Decision-Making

Hypothesis: "Trustees who are more impacted by the voluntary nature of the role will be less engaged in decision-making processes."

Data: Primary

Statistical Test: A linear regression was conducted because the dependent variable, decision engagement, is continuous, derived from averaging multiple Likert-scale responses.

Variables: The independent variable, voluntary impact, was measured by averaging multiple Likert-scale responses to statements that aimed to assess the extent to which trustees are

impacted by the voluntary nature of trusteeship. The dependent variable, decision engagement, was measured by averaging multiple Likert-scale responses to statements that aimed to assess the extent to which trustees are engaged in the decision-making process, originally consisting of six questions, with one removed due to poor fit in the EFA process. Exploratory Factor Analysis (EFA) confirmed a unidimensional construct with a Kaiser-Meyer-Olkin (KMO) measure of 0.699, a significant Bartlett's Test ($p < 0.001$), and a Cronbach's Alpha of 0.676, proving a marginally reliable measure of decision engagement.

Result: The linear regression analysis indicated that voluntary impact significantly affects decision engagement among trustees (F-value = 46.272, p-value < 0.001, $R^2 = 0.220$), with a negative coefficient (B = -0.473). This means that trustees who feel more impacted by the voluntary role tend to be less engaged in decision-making. The hypothesis that "Trustees who are more impacted by the voluntary nature of the role will be less engaged in decision-making processes" is supported by this clear relationship.

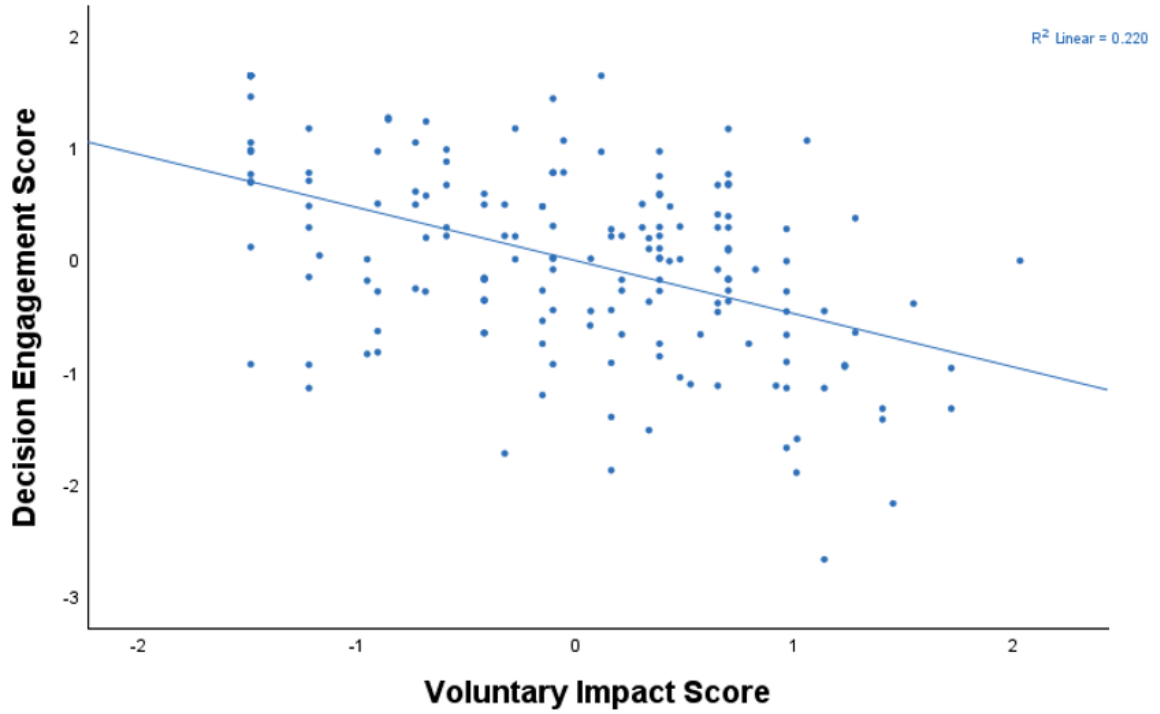

Figure 27: Voluntary Impact vs. Decision Engagement

Test & Variables	Statistic (Value, p-value)	Additional	Relationship	Hypothesis
Linear Regression: Voluntary Impact – Decision Engagement	F (46.272, < 0.001)	R^2 = 0.220	Negative	Supported

Hypothesis: "Trustees who are more impacted by the voluntary nature of the role will be less engaged in decision-making processes."

Data: Secondary

Statistical Test: A linear regression was conducted because the dependent variable, decision engagement, is continuous, derived from averaging multiple Likert-scale responses.

Variables: The independent variable, voluntary impact, was measured by a single Likert-scale question assessing the extent to which respondents can commit to their trustee duties, which was transformed into dummy variables (1 to 5) with the "neutral" (3) value set as the reference category to enable linear regression analysis. The dependent variable, decision engagement, was measured by averaging multiple Likert-scale responses to statements that aimed to assess the extent to which trustees are engaged in the decision-making process. Exploratory Factor Analysis (EFA) confirmed a unidimensional construct with a Kaiser-Meyer-Olkin (KMO) measure of 0.500, a significant Bartlett's Test ($p < 0.001$), and a Cronbach's Alpha of 0.811, proving a marginally reliable measure of decision engagement.

Result: The linear regression analysis confirmed that voluntary impact significantly affects decision engagement among trustees (F-value = 265.125, p-value < 0.001, R^2 = 0.596), with coefficients showing lower voluntary impact levels (1: B = 1.098, 2: B = 0.558) boosts

engagement, while higher voluntary impact levels (4: B = -1.963, 5: B = -2.326) reduces it. This means trustees more impacted by the voluntary role tend to be less engaged, with a strong correlation explaining 59.6% of the variation. The hypothesis that "Trustees who are more impacted by the voluntary nature of the role will be less engaged in decision-making processes" is supported by this clear connection, and this finding aligns with the primary test results, strengthening the evidence across datasets.

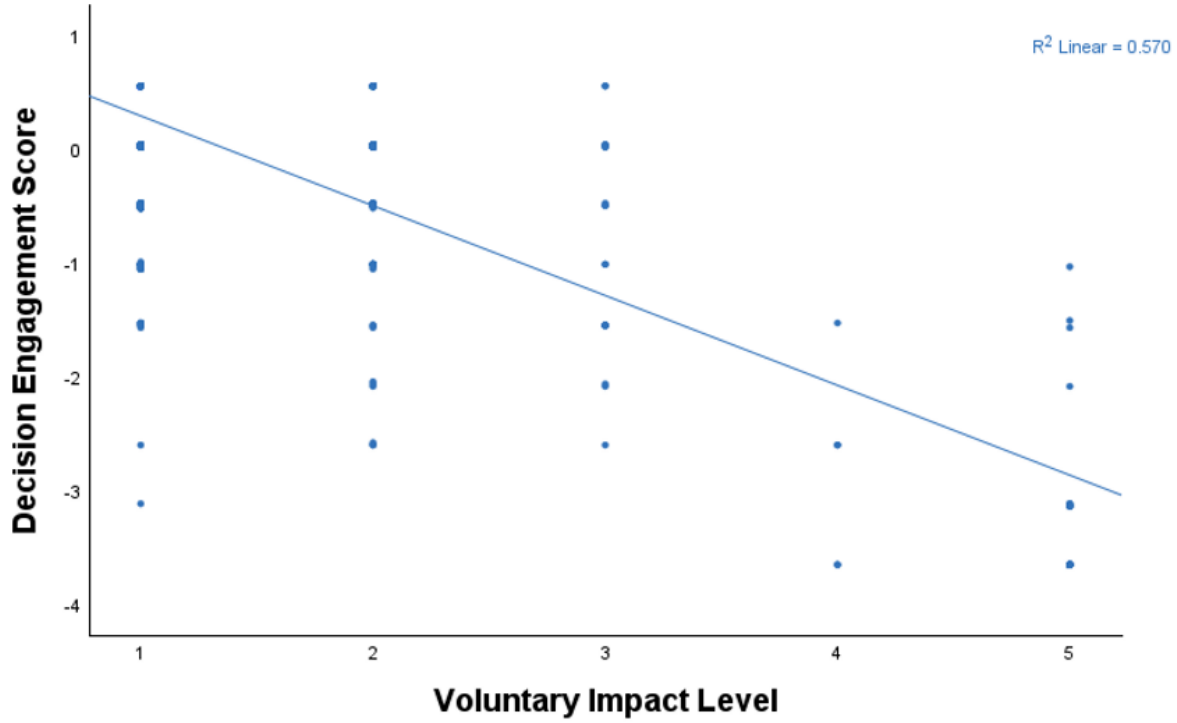

Figure 28: Voluntary Impact vs. Decision Engagement (Secondary Data)

Test & Variables	Statistic (Value, p-value)	Additional	Relationship	Hypothesis
Linear Regression: Voluntary Impact – Decision Engagement (2)	F (265.125, < 0.001)	R^2 = 0.570	Negative	Supported

4.3 Risk Preferences

Risk preferences refer to trustees' willingness to make risky financial decisions, assessed through a single Likert-scale response. The data associated with risk preferences (Mode = 2) indicate that, overall, there is a slight tendency for trustees to avoid high-risk, high-impact financial decisions. The distribution of risk-preference responses reveals no significant skew.

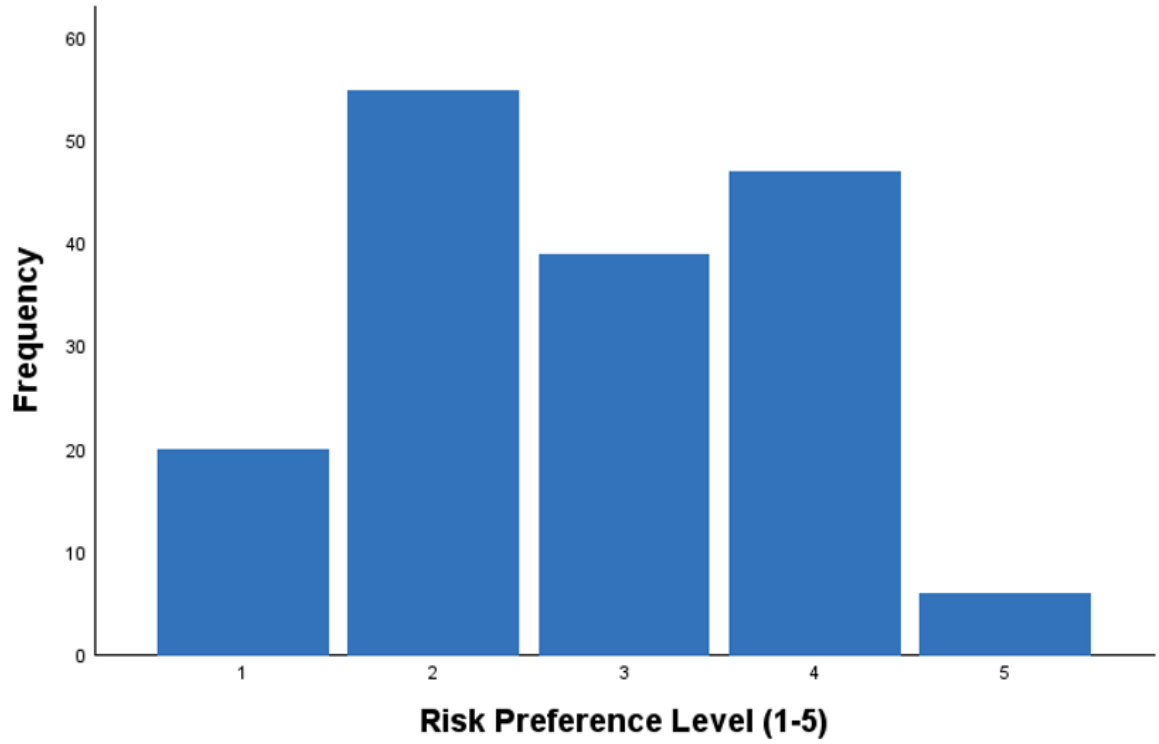

Figure 29: Distribution of Risk Preference Responses

4.3.1 Effects on Risk Preferences

Hypothesis: "Trustees from larger charities will have a greater preference for taking riskier financial decisions."

Data: Primary

Statistical Test: A Kruskal-Wallis test was conducted because the independent variable, charity income, comprises multiple ordinal groups, and the dependent variable, risk preference, is ordinal, measured from a single Likert-scale response. A Kruskal-Wallis test is

used for modelling the relationship between two or more groups of an independent variable on an ordinal dependent variable (Pant, 2024).

Variables: The independent variable, charity size, was measured through a single multiple-choice question where respondents selected their charities' annual income from multiple income bands. The dependent variable, risk preference, was derived from a single Likert-scale response that aimed to assess the respondents' preference for making risky financial decisions. The survey included several questions to measure risk preference, but the Exploratory Factor Analysis (EFA) conducted failed to produce a statistically acceptable result, with a Kaiser-Meyer-Olkin (KMO) measure of 0.641, a significant Bartlett's Test ($p < 0.001$), yet low communalities (e.g., 0.073–0.307), only 20.830% variance explained, moderate loadings (> 0.4), and a Cronbach's Alpha of 0.483 indicating an unreliable measure of risk preference. As a result, a single most suited Likert-scale question was used.

Result: The Kruskal-Wallis test indicated no significant difference in risk preferences across charity income levels ($H = 5.297$, p-value = 0.381), with mean ranks varying inconsistently. This means that trustees from larger charities do not show a greater preference for riskier financial decisions compared to those from smaller charities. The hypothesis that "Trustees from larger charities will have a greater preference for taking riskier financial decisions" is rejected due to the lack of significant variation.

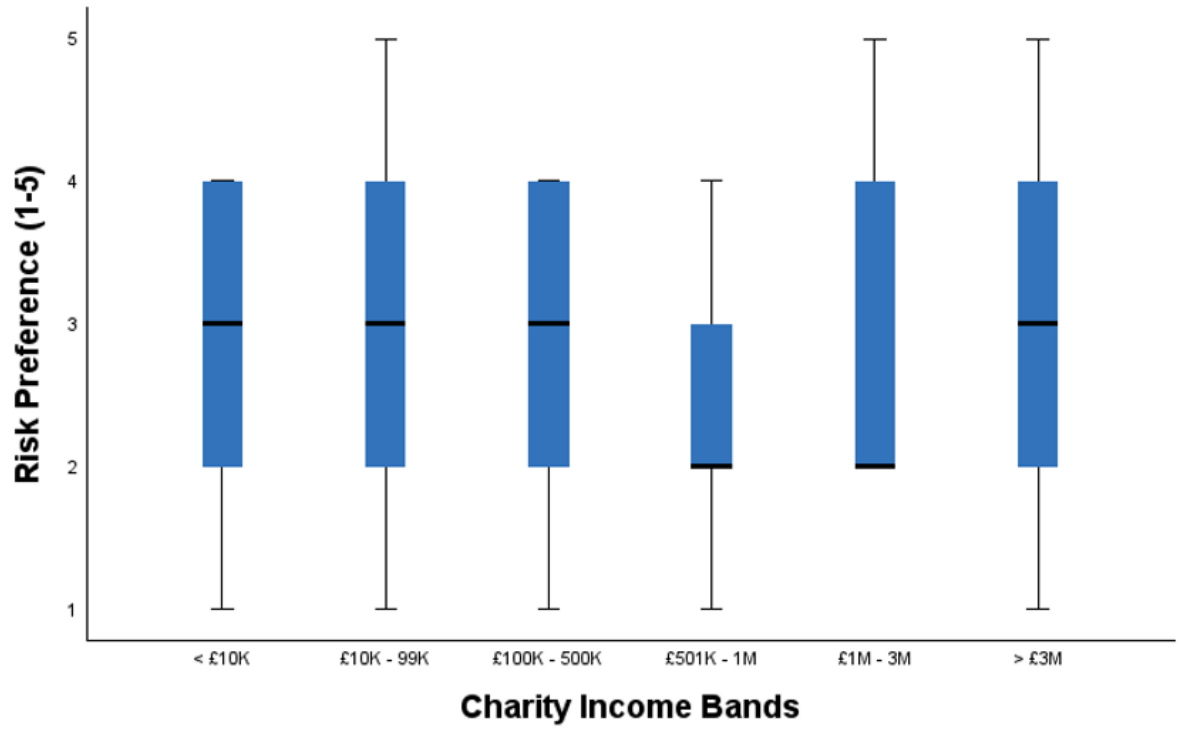

Figure 30: Risk Preference Distribution Across Charity Income Bands

Test & Variables	Statistic (Value, p-value)	Additional	Relationship	Hypothesis
Kruskal-Wallis: Charity Income – Risk Preference	H (5.297, 0.381)		None	Rejected

Hypothesis: "Trustees who primarily work in the private sector will have a greater preference for taking riskier financial decisions."

Data: Primary

Statistical Test: A Mann-Whitney U-test was conducted because the independent variable, trustee primary section, comprises two distinct ordinal groups (private sector and other), and the dependent variable, risk preference, is ordinal, measured from a single Likert-scale response. A Mann-Whitney U-test is used to measure significant differences between two groups of an independent variable on an ordinal dependent variable (Tai et al., 2022).

Variables: The independent variable, trustee primary sector, was measured through a single multiple-choice question where respondents selected the sector in which they primarily work. The dependent variable, risk preference, was derived from a single Likert-scale response that aimed to assess the respondents' preference for making risky financial decisions.

Result: The Mann-Whitney U test indicated no significant difference in risk preferences between private sector trustees and others (U = 1655, p-value = 0.815). This means that trustees working primarily in the private sector do not show a greater preference for riskier financial decisions compared to those in other sectors, suggesting no clear link between sector and risk-taking. The hypothesis that "Trustees who primarily work in the private sector will have a greater preference for taking riskier financial decisions" is rejected due to the lack of significant difference.

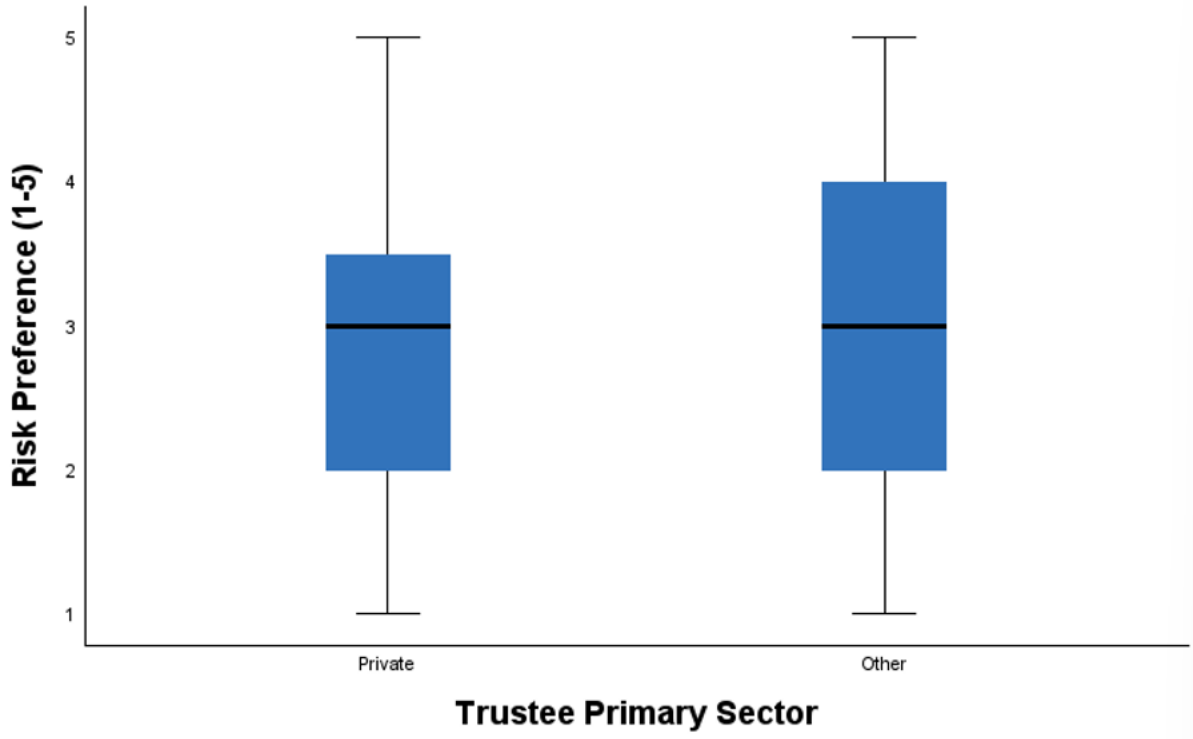

Figure 31: Risk Preference Distribution Across Trustee Primary Sectors

Test & Variables	Statistic (Value, p-value)	Additional	Relationship	Hypothesis
Mann-Whitney: Sector – Risk Preference	U (1655, 0.815)		None	Rejected

4.4 Qualitative Findings

4.4.1 Primary Data

The primary qualitative data derives from two open-ended questions in the survey, offering insights into trustee experiences beyond that of the quantitative data. The responses are analysed thematically to complement the quantitative data and enhance the findings.

4.4.1.2 Voluntary Impact on Decision-Making

Approximately 60% of respondents agreed that the voluntary nature of trusteeship impacts the quality or speed of decisions, while 40% disagreed, suggesting that the voluntary nature of the role does not impact all trustees uniformly.

Among those agreeing, there is a theme of trustees with professional commitments and young families being particularly impacted. For instance, respondents noted, “people lead busy working and family lives” and “I feel that time is often compromised by existing work and family commitments” highlighting the key factors limiting engagement.

In addition, respondents stated, “voluntary obligations are not as highly prioritised as their professional obligations” and “if trustees were paid they would give their trustee role the same priority as their paid work”, pointing out that trustee obligations are not prioritised when conflicts arise with professional commitments due to the voluntary nature of the role, with the proposition of remuneration as a potential solution.

Further, another theme appeared to be accountability with regards to the voluntary nature of the role, respondents stated, “the voluntary nature makes it morally difficult to demand time from members" and “if it was a ‘proper paid job’, I would find it easier to request that other trustees acted more professionally”, indicating that the voluntary nature of trusteeship makes it difficult to hold others accountable given “they are doing this in their spare time.”

An additional theme appears to be skills; one respondent explained that the quality of decision-making is impacted by the voluntary nature of trusteeship due to “the limited skills between the trustees”, and another noted that “we didn’t always have sufficient experience or knowledge and it isn’t always possible to pay for professional advice”, suggesting that the unpaid nature of the role limits the ability to recruit experienced, high-skilled professionals to the board.

Conversely, among those disagreeing that the voluntary nature of trusteeship impacts the quality or speed of decision, there appeared a clear theme of professionalism and expertise. This is evident from responses that stated, “during the interview process for new trustees, the commitment expected is made clear” and “good decision making and communication process ... and the deep skills and expertise of fellow trustees”, highlighting that in the cases where the voluntary nature of trusteeship is deemed not a hindrance on decision-making, there appears to be an effective governance structure in place where diligent processes mitigate the voluntary challenges.

4.4.1.3 Closing Comments

The open-ended responses to the second question, “Is there anything else you’d like to share regarding your motivations, preferences, or decision-making experiences as a

trustee?" reveal several key themes that enrich the quantitative findings. A prominent frustration is that of extrinsically motivated trustees, with one respondent stating, "Disappointing when trustees prioritise enhancing their CVs," and another noting, "I do worry about some Trustees who... trophy hunt," highlighting anecdotal evidence of EM among trustees.

In addition, age-related voluntary impact emerged as a theme, with a respondent stating, "I'm a single parent which is where I have more conflicts," contrasting with, "Being retired, conflict with paid work doesn't arise," mirroring the quantitative finding that older trustees tend to experience less of a voluntary impact.

Further, another theme that emerged is that trustees often join unaware of the commitment required, respondents stated that trustees "often do not understand the commitments they are signing up to", and "don't understand what they are signing up for in terms of time commitment", reinforcing the quantitative findings on voluntary impact and decision engagement.

Moreover, a key concern raised among respondents is that a significant factor influencing trustee decision-making effectiveness is "the quality of information provided by charity executives" and that "the main thing that affects good quality decision making is having a good timely flow of information ... in advance of board meetings", showcasing a factor that could be explored in future research.

4.4.2 Secondary Data

4.4.1.2 Introduction

The secondary qualitative data was derived from three open-ended questions in two surveys collected by Charity Excellence Framework. The survey asked respondents about the

strengths of the board of trustees, the challenges that the charity faces and where additional support can be provided (Appendix). Survey responses were analysed thematically using NVivo.

Direct and paraphrased quotes from the dataset are mentioned and discussed throughout each theme to compare and contrast different implications of the results (Bryman and Bell, 2015). This analysis revealed the following themes: 'Communication','Team-work', 'Fundraising, 'Recruitment', 'Funding' and 'Training'.

	Board Strength		Board Weakness		Additional Support	
	Communication	Team-work	Fundraising	Recruitment	Funding	Training
Respondents	136	262	201	139	201	92
Total	683	689	686	686	639	634
% of Respondents	20%	38%	29%	20%	31%	15%

Figure 32: Survey Responses by Theme

4.4.1.3 Word Cloud

A word cloud offers a clear visual representation of numerous keywords (Vrain and Lovett, 2019), facilitating the analysis and comprehension of the terms. According to Heimerl et al. (2014), word clouds are an "effective tool" for comparing and analysing qualitative data as they visually represent the information.

4.4.1.4 Charity board strengths

Figure 33: Empirical Word Cloud- Board Strengths

Participants noted that their charity board works effectively and cohesively, reflecting that it "work[s] together to support the team and each other." They also shared the importance of collaboration in achieving the charity's mission, with many respondents citing "common goal[s]" and "real, practical and positive change and improvement". Many participants also mentioned that the board facilitates the "support [of] the CEO and executive team" by "listening", "challenging" and "actioning".

Communication was also identified as a key strength of charity boards. Participants highlighted the importance of "open discussion" and "giving people time to make their point". By thoroughly discussing issues, boards can "[evaluate] success and failure and seek to improve". Additionally, strong communication isn't just directed towards senior leadership. "The board communicates well with its stakeholders". Empirical evidence of

stakeholder collaboration reflects Freeman's (2010) literary observations regarding the organisational approach to stakeholder management.

Over a third of respondents identified teamwork as a strength of charity boards, while a fifth highlighted communication. Ensuring that boards remain cohesive, encouraging open dialogue and collaborating with stakeholders are all important factors that allow charities to achieve goals and meet the needs of their beneficiaries.

4.4.1.5 Charity board challenges

Figure 34: Empirical Word Cloud- Board Challenges

Funding was raised as an important issue faced by charity boards by a multitude of respondents. Participants cited lack of funding as an obstacle to delivering goals, leading to overstretched resources" and "[in]sufficient funding to offer all our services". Consequently, charities have to make tough decisions to balance the "financial needs of the charity with

the needs of our beneficiaries". Participants also acknowledged the "competitive environment", noted in recent literature surrounding UK charities (Curran & Ozcan, 2024).

Recruiting and engaging employees, volunteers and trustees are reported as fundamental issues faced by charities. Many respondents highlight challenges attracting senior decision-makers, including trustees, "to ensure long-term survival". Interestingly, participants raise time commitments as a barrier to "engaging volunteers". Responses include: "Finding new volunteers with sufficient time to give to our charity", "time allocation as all volunteers [have] full-time jobs" and "time constraints of members, many priorities as a new body". This aligns with our findings that voluntary impact significantly affects decision engagement.

Nearly 30% of respondents stated that fundraising is an issue faced by their charity's board. Amid a more competitive fundraising environment, many charities have been forced to take new approaches to remain agile (Curran & Ozcan, 2024). A shortage of funding is exacerbated by recruitment challenges, further straining already limited resources. A fifth of respondents cited recruitment as an issue, flagging time constraints of volunteers as a key factor. Going forward, UK charities will need significant support if they are to remain operational, a burden that falls on governments and regulators.

4.4.1.6 Areas of additional support

Unsurprisingly, funding was most commonly cited as an area in which charities need more support. Respondents state that "funding remains a massive challenge" and "more appropriate funding support" is needed. Specifically, respondents require "guidance on funding sources" including "trends, opportunities, navigating what is realistic and what to leave alone".

Figure 35: Empirical Word Cloud- Additional Support

As well as this, respondents assert that a redistribution in government funding should be implemented, especially from local councils. “In our case, greater local authority funding by central government would ease the burden on us”. Support with funding bids and advocacy/lobbying with [the] government to ensure they understand [the] impact of cuts and ad hoc policy changes”. Additional funding support for smaller charities is also flagged by many respondents. “As a small Charity we need help to apply for grants as we don't have the luxury of a finance team, so we rely on volunteers, or trustees to apply for grants who also have other responsibilities and commitments.” Consequently, “rejections for grants are more evident”.

The need for additional support in training trustees, volunteers and staff is also highlighted. Participants called for more training across a variety of areas, including “technology”, “fundraising”, “governance”, and “personal development”. Training should also be “easy to

access and available” and ideally “in-person”. Training for trustees may also be beneficial. “Having worked in the sector 30 years I get very annoyed each time 'senior' people become trustees and think they naturally have the knowledge to be a charity trustee - they don't but they could have!”. “Training in governance, particularly since our community has such a small pool for the selection of trustees.”

Over 30% of survey respondents flagged funding as a challenging area in which more support could be provided. Respondents emphasised the need for guidance and a fairer redistribution of government funding. Unfortunately, smaller charities, in particular, struggle to acquire funding due to limited resources, further highlighting the need for additional guidance. Meanwhile, 15% of respondents called for improvements in training in areas like technology, fundraising, governance, and personal development.

4.5 Summary of Key Findings

This section consolidates the empirical and secondary findings, providing an overview of the factors that influence trustee motivation, voluntary impact, risk preferences, and decision-making. The summary integrates both the quantitative and qualitative data to present the key findings derived from the analysis.

The analysis of motivation provides insights into the relationship between intrinsic and EM and its influence on decision-making. Univariate analysis indicates strong IM among trustees within the sample, with a mean score of 4.25 (SD = 0.52), this is contrasted by a lower EM mean of 2.72 (SD = 0.86), suggesting that overall trustees tend to be more motivated by personal commitment rather than external rewards. A moderate positive relationship (r^2 = 0.149, $p < 0.001$) between the intrinsic and EM factors suggests that trustees with higher overall motivation may be driven by both internal and external reasons. Bivariate analyses

explored the factors that may predict motivations, neither charity size ($F = 0.095$, $p = 0.758$, $R^2 < 0.001$) nor trustee experience ($F = 0.118$, $p = 0.731$, $R^2 < 0.001$) significantly predicts trustee motivations. Trustee age shows a statistically significant negative relationship with both intrinsic ($F = 5.515$, $p = 0.020$, $R^2 = 0.027$, $B = -0.011$) and EM ($F = 7.766$, $p = 0.006$, $R^2 = 0.038$, $B = -0.013$); however, the small R^2 values suggests that the effect has negligible practical relevance. Further, the analysis demonstrated that IM has a notable positive relationship with decision-making effectiveness ($F = 12.028$, $p < 0.001$, $R^2 = 0.065$, $B = 0.278$) and supporting mission-aligned decisions (Chi-Square = 157.612, $p < 0.001$, Pseudo R^2 = 0.579-0.713), while EM shows no relationship with decision-making effectiveness and has a negative relationship with mission-alignment (Chi-Square = 171.289, $p = 0.026$, Pseudo R^2 = 0.618-0.757).

The analysis of voluntary impact provides insights into the extent to which the unpaid nature of trusteeship affects decision-making. Univariate analysis reveals a moderate perceived impact among trustees in the sample, with a mean score of 2.43 (SD = 0.776) in the primary data and a mode of 1 in the secondary data, suggesting that overall trustees tend not to be heavily burdened by their voluntary roles. The bivariate analysis examined factors that may predict voluntary impact, with trustee age having a significant influence ($F = 41.600$, $p < 0.001$, $R^2 = 0.200$, $B = -0.028$), suggesting that younger trustees tend to experience a greater impact on their commitment due to the voluntary nature of the role. In addition, the analysis identified a significant negative relationship between voluntary impact and decision engagement in both the primary ($F = 46.272$, $p < 0.001$, $R^2 = 0.220$, $B = -0.473$) and secondary data ($F = 265.125$, $p < 0.001$, $R^2 = 0.596$), indicating that those who are more impacted by the voluntary nature of the role are less engaged in decision making.

The analysis of risk preferences provides insights into trustees' willingness to take high-risk, high-impact financial decisions. Univariate analysis indicates a cautious approach among trustees in the sample, with a mode of 2, suggesting that overall trustees tend to have a slight preference away from high-risk, high-impact financial decisions. The bivariate analysis explored the factors that may predict risk preferences among trustees, revealing that neither charity income ($H = 5.297$, $p = 0.381$) nor sector ($U = 1655$, $p = 0.815$) significantly predict risk preferences.

The primary qualitative analysis provides insights that complement the findings derived from the quantitative findings. Approximately 60% of responses indicated that the voluntary nature of trusteeship affects the quality or speed of decisions, with professional and family commitments identified as primary barriers to engagement, as evidenced by the statement, "time is often compromised by existing work and family commitments". In addition, the difficulty of holding other trustees accountable due to voluntary nature is highlighted, with, "the voluntary nature makes it morally difficult to demand time from members," pointing towards governance challenges. The unpaid nature of trusteeship also appears to make recruiting high-skilled individuals difficult, as noted in, "we didn't always have sufficient experience or knowledge." In contrast, respondents who disagreed emphasised professionalism and effective processes, with, "good decision making and communication process... and the deep skills and expertise," suggesting that diligent processes can mitigate the effects of voluntary impact.

Further qualitative data was sourced in the closing comments, allowing respondents to raise any concerns, in which concerns arose regarding extrinsically motivated trustees that "prioritise enhancing their CVs" or "trophy hunting". Age-related voluntary impact is a key

finding that reflects the quantitative finding, with, “I’m a single parent... more conflicts,” contrasting with, “Being retired, conflicts with paid work don’t arise.” Further, it is evident that many trustees start their role without fully understanding the commitment that is required, as indicated by, “people... do not understand the commitments”.

The secondary qualitative analysis, derived from responses collected by Charity Excellence Framework, highlights that charity boards excel in teamwork, communication, and collaboration, which are crucial in achieving their missions. However, funding remains the most pressing challenge, with many charities struggling to secure sufficient resources, navigate grant applications, and compete in an increasingly competitive fundraising environment.

Recruitment issues further compound these challenges, as charities find it difficult to attract trustees and engage volunteers who often juggle multiple commitments. Smaller charities, in particular, lack the infrastructure to manage funding applications effectively, leading to higher rejection rates. Additionally, respondents emphasised the need for more accessible training in governance, fundraising, and technology to equip boards and staff with the necessary skills.

Addressing these issues will require a coordinated effort from the UK Government and the Charity Commission for England and Wales to ensure sustainable funding models, strategic resource allocation, and better support structures. Without these interventions, many charities may struggle to meet the needs of their beneficiaries.

Test & Variables	Statistic (Value, p-value)	Additional	Relationship	Hypothesis
Linear Regression: Charity Income – EM	F (0.095, 0.758)	$R^2 < 0.001$	None	Rejected
Linear Regression: Trustee Experience – IM	F (0.118, 0.731)	$R^2 = 0.001$	None	Rejected
Linear Regression: Trustee Age – IM	F (5.515, 0.020)	$R^2 = 0.027$	Negative	Rejected
Linear Regression: Trustee Age – EM	F (7.766, 0.006)	$R^2 = 0.038$	Negative	N/A
Linear Regression: IM – Decision-Making Effectiveness	F (12.028, < 0.01)	$R^2 = 0.065$	Positive	Supported
Linear Regression: EM – Decision-Making Effectiveness	F (< 0.001, 0.986)	$R^2 < 0.001$	None	N/A
Ordinal Regression: IM – Mission Alignment	Chi-Square (157.612, < 0.001)	Pseudo R^2 = 0.579 - 0.713	Positive	Supported
Ordinal Regression: EM – Mission Alignment	Chi-Square (171.289, 0.026)	Pseudo R^2 = 0.618 - 0.757	Negative	N/A
Linear Regression: Trustee Age – Voluntary Impact	F (41.600, < 0.001)	$R^2 = 0.200$	Negative	Supported

Linear Regression: Voluntary Impact – Decision Engagement	F (46.272, < 0.001)	R^2 = 0.220	Negative	Supported
Linear Regression: Voluntary Impact – Decision Engagement (2)	F (265.125, < 0.001)	R^2 = 0.570	Negative	Supported
Kruskal-Wallis: Charity Income – Risk Preference	H (5.297, 0.381)		None	Rejected
Mann-Whitney: Sector – Risk Preference	U (1655, 0.815)		None	Rejected

5. Discussion

5.1 Introduction

Every decision within a charity boardroom shapes the organisation's mission, governance, and impact. But what drives these choices? Are trustees led by personal passion, external incentives, or the responsibilities of a voluntary role?

This chapter explores these questions by examining trustee motivations, voluntary impact, and risk preferences. Through qualitative and quantitative analyses, it investigates "How do intrinsic and extrinsic motivations influence the decision-making processes of charity board members, and does the voluntary nature of these boards affect these decision-making processes?" By integrating empirical data with theoretical insights, this chapter offers a deeper understanding of decision-making within charity boards.

5.2 Hypothesis Discussions

5.2.1 Charity Size and Extrinsic Motivation

Firstly, the hypothesis that "larger charities will tend to have more extrinsically motivated trustees" was dismissed. This is because there was no significant relationship between charity income and EM according to the linear regression analysis (0.095, $p = 0.758$, $R^2 < 0.01$). Interestingly, this goes against prior literature, which suggests larger organisations attract board members who are driven by external benefits such as career advancement, networking, and prestige (Bebchuk & Fried, 2004). The lack of significance suggests that intrinsic factors may play a more critical role in trustee motivation, with trustees being more driven by alignment with the charity's mission and personal fulfilment rather than the organisation's size.

5.2.2 Trustee Experience and Intrinsic Motivation

Secondly, the assumption that more experienced trustees would be more intrinsically motivated was not reflected by the results. The linear regression analysis showed no significant relationship between experience and IM ($F = 0.118$, $p = 0.731$, $R^2 < 0.01$). This challenges the idea that long-serving trustees are naturally more committed to mission-driven governance (Oster, 1995). Satisfaction in mentoring newer members could act as an indirect motivator, though additional research would need to be conducted to confirm or reject this hypothesis.

5.2.3 Intrinsic Motivation and Decision-Making

Thirdly, the results confirmed that trustees with higher IM make more effective decisions. The linear regression analysis revealed a significant positive relationship ($F = 12.028$, $p < 0.001$, $R = 0.256$, $R^2 = 0.065$), reinforcing the notion that personal investment in a charity's mission boosts decision-making. This finding aligns with empirical research, which suggests that IM enhances engagement and performance (Deci & Ryan, 2000). Finally, the results confirmed that trustees with higher IM are more likely to make mission-aligned decisions. The ordinal regression analysis demonstrated a clear positive relationship (Chi-Square = 157.612), suggesting that a trustee's commitment to the mission is crucial for ensuring strategic coherence.

5.2.4 Extrinsic Motivation and Decision-Making

The results indicate that extrinsic motivation negatively affects mission alignment. This suggests that trustees driven by external rewards or recognition are less likely to prioritise the charity’s core objectives when making decisions. While extrinsic motivation does not

significantly impact decision-making effectiveness, its inverse relationship with mission alignment raises concerns about how external incentives shape governance priorities.

5.3 Voluntary impact and Decision-Making

5.3.1 Age and Voluntary Impact

Firstly, the data supported the notion that older trustees are less affected by the voluntary nature of their role. The regression analysis demonstrated a significant negative correlation between age and voluntary impact ($F = 41.600$, $p < 0.001$, $R = 0.448$, $R^2 = 0.200$). This finding aligns with existing research, which suggests that younger professionals tend to face more extraordinary career and financial pressures, making voluntary commitments more challenging (Hyndman & McDonnell, 2009).

5.3.2 Age, Intrinsic Motivation and Extrinsic Motivation

The regression analysis showed a statistically significant negative relationship between age and both intrinsic and extrinsic motivation. However, the low R-squared values and scattered distribution of data points suggest that age has little actual effect on these motivation types. This reinforces the idea that age and motivation are independent factors influencing mission alignment rather than being directly linked.

This has interesting implications for trustee recruitment. An older trustee may be highly mission-aligned but have low IM, which could reduce their engagement in decision-making. Conversely, a younger trustee, who may be less mission-aligned based on the age-mission alignment regression, could still have strong IM that enhances their alignment with the organisation's goals. These findings highlight the complexity of factors driving trustee decision-making and suggest that both experience and motivation should be considered in governance and recruitment strategies.

5.3.3 The Role of Age in Decision-Making

The findings indicate no clear link between age and decision-making effectiveness or mission alignment, reinforcing the idea that factors beyond age play a more significant role in shaping trustee performance and alignment with organisational goals.

5.3.4 Motivation and Decision-Making

The findings highlight the nuanced role of motivation in trustee decision-making. Intrinsic motivation is linked to both stronger decision-making effectiveness and greater mission alignment, while extrinsic motivation has no clear impact on decision-making and negatively affects mission alignment. This suggests that trustees who are personally invested in a charity's purpose tend to make more mission aligned and effective decisions, whereas those driven by external recognition may prioritise other considerations.

Interestingly, intrinsic and extrinsic motivation appear to be independent rather than opposing forces. A trustee can be both highly mission-driven and motivated by external rewards, which complicates assumptions about what drives effective governance. This raises important considerations for board composition, as balancing motivation types may be key to maintaining both strategic effectiveness and alignment with the charity's goals.

5.4 Risk Preferences and Financial Decision-Making

5.4.1 Charity Size and Risk Preference

Firstly, the assumption that trustees from larger charities would be more inclined to take financial risks wasn't reflected by the results. The Kruskal-Wallis test found no significant differences in risk preference across charity income levels ($H = 5.297$, $p = 0.381$). This finding contrasts the previous theory that larger organisations, with their more significant resources, are naturally more risk-tolerant (Matsusaka, 2001).

5.4.2 Private Sector Experience and Risk Preference

The Mann-Whitney U test found no significant difference in risk preferences between trustees who primarily work in the private sector and those from other backgrounds ($U = 1655$, $p = 0.815$). This challenges the idea that professional experience drives financial risk tolerance and suggests that other factors influence risk-taking.

5.5 Overall Summary of Findings

A web of motivations, expectations, and external pressures shapes charity board decision-making. While larger charities are thought to attract trustees seeking prestige or career benefits, the findings suggest otherwise; trustees are more driven by a personal connection to the cause than by the organisation's size. Similarly, experience does not predict intrinsic motivation, challenging the idea that long serving trustees are naturally more mission driven.

The most decisive influence on decision-making is intrinsic motivation. Trustees who feel personally invested in the charity's purpose are more engaged and make decisions that align with its mission. In contrast, extrinsic motivation negatively impacts mission alignment, suggesting that those seeking external rewards may prioritise other considerations over the charity's core objectives.

Voluntary trusteeship brings further challenges. Older trustees are less affected by the unpaid nature of the role, while younger professionals, balancing career pressures, struggle with engagement. However, motivation is shaped more by personal values and board culture than by age alone.

Risk-taking patterns also defy expectations. Trustees from larger charities or private-sector backgrounds are no more likely to take financial risks. This indicates that risk appetite in

charity governance is shaped by factors beyond just organisational size and professional background

These findings highlight the need to look beyond traditional markers like experience and sector background when building effective boards. By fostering intrinsic motivation through mentorship, role alignment, and supportive board culture, charities can create more engaged, mission-driven trustees who make decisions that genuinely serve the organisation's purpose.

5.6 Further Research

The present report constitutes Phase 1, wherein research and analysis have been undertaken concerning individual trustees. In Phase 2, the investigation will shift towards examining the integration of these trustees to establish an effective board, thereby optimising decision-making processes. The following sections outline a few areas for exploration for Phase 2, supported by an initial review of the extant literature.

5.6.1 Civic Wealth Creation

5.6.1.1 Defining Civic Wealth Creation

Civic Wealth Creation (CWC) is a new approach that focuses on producing social, economic, and civic capital by all the relevant actors in the value-creation process (Lumpkin & Bacq, 2019). It goes beyond the conventional wealth creation approaches.

CWC distinguishes three major types of stakeholders: the communities, for whom the changes occur and who are also the authors of these changes; the second is regimes of support, including donors, regulators, and politicians; and third is enterprises, which are conventional businesses, charities, and social enterprises (Bailey & Lumpkin, 2021).

Unlike traditional philanthropy, CWC promotes strategic, sustainable interventions. This is in harmony with the stakeholder theory, which holds that for organisations to be sustainable, they should consider the interests of all stakeholders, including shareholders (Freeman et al., 2010). Integrating stakeholder theory with CWC thus emphasises the importance of cross-sector engagement in achieving lasting social change.

5.6.1.2 Stakeholder Engagement

A key challenge in implementing CWC is ensuring effective stakeholder engagement. Bailey and Lumpkin (2021) propose a stakeholder engagement framework using the ADKAR change methodology of Awareness, Desire, Knowledge, Ability, and Reinforcement to enhance participation in civic wealth initiatives. The ADKAR framework provides a structured mechanism for aligning interests, mitigating resistance, and enhancing collective action.

In the charity sector, stakeholder engagement is crucial for balancing donor expectations, beneficiary needs, and operational sustainability. Traditional charity models frequently face stakeholder misalignment, such as donors prioritising short-term impact, while communities require long-term capacity-building (Bailey & Lumpkin, 2021). ADKAR fosters inclusive decision-making by aligning stakeholders

5.6.2 Stakeholder Theory

5.6.2.1 Overview of Stakeholder Theory

Freeman (1984) introduced stakeholder theory, arguing organisations should create value for all stakeholders, (individuals or groups affected by an organisation's activities), not just shareholders (Freeman,1984).

This approach redefines a corporation's purpose, emphasising value creation for diverse groups that have a stake in the organisation's activities. Traditional economic literature suggests that profit is the key motivator for decision-making (Coase, 1937).

5.6.2.2 Stakeholder Definition

A stakeholder is any individual or group affected by or capable of affecting an organisation's goals (customers, employees, suppliers, investors, communities, governments, and competitors) (Freeman, 1984). Primary stakeholders are essential to a firm's survival (e.g., employees, customers, suppliers, shareholders), whilst secondary stakeholders can influence or are influenced by the firm but are not essential for its immediate survival (e.g., media, NGOs, government) (Freeman, 2010).

5.6.2.3 Value Creation

Freeman (2010) critiques the narrow focus on maximising shareholder value, which often overlooks the broader impacts of business decisions on other stakeholders. He proposes that organisations visualise their network of relationships using a stakeholder map, identifying primary and secondary stakeholders and understanding their interconnections. The further asserts that managers should actively communicate and collaborate with stakeholders to understand their needs and expectations.

Strategic decisions should align the interests of different stakeholders where possible and manage conflicts constructively. They should also focus on creating sustainable value that benefits all stakeholders, ensuring long-term success and legitimacy. Donaldson and Preston (1995) share Freeman's view, asserting that firms should engage in stakeholder engagement by balancing and aligning the interests of various groups to ensure long-term sustainability.

Research conducted by Hillman and Keim (2001) suggested that companies with strong stakeholder management practices achieve better financial and reputational outcomes.

Jones (1995) expands on this theory, suggesting that building stakeholder relationships by fostering trust reduces monitoring and enforcement costs. He further posits that ethical stakeholder management creates a strong corporate reputation, which translates into customer loyalty, employee retention and motivation and greater investor confidence.

5.6.3 Groupthink

5.6.3.1 Defining Groupthink

Groups of decision-makers are often pressured by social conformity and blinded by unconscious biases that impede reason and logic. This phenomenon is known as 'groupthink' (GT) and can help explain why irrational and inefficient decisions are made in group settings. GT is particularly dangerous in charitable contexts because it can lead directors to prioritise loyalty to fellow trustees over the charity's best interests, diverting assets from the charities' intended beneficiaries into the pockets of directors (Leslie, 2009). Despite this inherent risk, very little research has been conducted to investigate the causes and effects of GT in charitable boards, presenting an opportunity for future study. Similarly, there is a significant lack of research on the diversity of charity boards and whether it influences decision-making and the prevalence of cognitive biases.

5.6.3.2 Symptoms of Groupthink in Charities

A common symptom of GT is an illusion of invulnerability that provides reassurance about obvious risks and dangers, often leading to a failure to respond to them (Janis, 1971). Similarly, groups also create rationalisations to discount warnings and negative feedback that might lead members to reconsider assumptions. On an individual level, trustees often

defer decisions to those that seem most informed, especially when there are large information asymmetries (Leslie, 2009). As volunteers, trustees may lack time to fully prepare for meetings.

5.6.3.3 Causes of Groupthink in Charities

GT in charity boards is driven by several key factors. Trustees often lack information and defer decisions (Leslie, 2009). As volunteers, trustees may be reluctant to challenge prevailing opinions to maintain group harmony. Additionally, because trustees are unpaid, they may feel justified in engaging in transactions that provide them with personal benefits, choosing to ignore conflicts of interest (Leslie, 2009).

GT is also exacerbated when a board is more cohesive. Cohesiveness in this context refers to the extent to which group members view membership as an important component of their identity (Leslie, 2009). Group members often value group cohesion and consensus more than the superior results that the deliberative process is designed to produce. Future research could examine whether diverse boards reduce the likelihood of GT, thus boosting the quality of decision-making.

5.6.3.4 Overview of Groupthink in Charities

Unfortunately, the bulk of the literature surrounding GT in charity settings remains largely conceptual. Though existing literature does make distinctions between GT in charity boards compared to corporate boards, it largely ignores the effect that the size and scale of resources have on GT in charities. Because of this, research around the topic isn't always reflective of the world in which charities operate. Existing literature provides a broad view of GT but lacks insights into board variations. Experimental research into GT in a mixture of charity boards would generate insights into decision-making biases that influence trustees

and potentially explain some of the differences in the behaviour of for-profit boards vs non-profit boards.

6. Recommendations

The preceding sections provided critical insights into the motivational dynamics shaping charity trustee decision-making, highlighting the pivotal role of IM in driving effective, mission-aligned governance and the challenges posed by the voluntary nature of trusteeship. Drawing from these findings, the following recommendations can be implemented to enhance decision-making processes within charity boards and guide future research efforts in the UK charity sector.

6.1 Fostering Intrinsic Motivation on Charity Boards

The data underscores that trustees with higher IM make more effective ($F = 12.028$, $p < 0.001$, $R^2 = 0.065$) and mission-aligned decisions (Chi-Square = 157.612, $p < 0.01$, Pseudo $R^2 = 0.579–0.713$), aligning with Self-Determination Theory's emphasis on autonomy, competence, and relatedness (Deci & Ryan, 2000). To capitalise on this, charities should cultivate a board culture that nurtures these psychological needs:

- **Autonomy:** Empower trustees by offering flexible roles (e.g., task-specific committees) that allow them to shape their contributions according to personal strengths and interests, rather than rigid meeting schedules.
- **Competence:** Provide accessible training in governance, fundraising, and strategic planning—areas flagged as gaps in qualitative responses from the Charity Excellence Framework. This builds confidence and capability, reinforcing intrinsic satisfaction.
- **Relatedness:** Strengthen ties to the charity's mission through regular beneficiary interactions (e.g., site visits or testimonials at meetings), deepening trustees' emotional connection to their work.

By embedding such elements, boards can sustain IM, counteracting the undermining effects of external rewards noted in the literature and enhancing decision-making quality. These measures remain non-exhaustive, and the list of strategies can be further expanded through research and experimentation.

6.2 Mitigating the Voluntary Burden

The significant negative relationship between voluntary impact and decision-making engagement ($F = 46.272$, $p < 0.01$, $R^2 = 0.220$; secondary data: $F = 265.125$, $p < 0.01$, $R^2 = 0.596$) reveals a key barrier: the unpaid nature of trusteeship can disengage members, particularly younger trustees ($F = 41.600$, $p < 0.01$, $R^2 = 0.200$). Rather than introducing widespread payment—which risks shifting focus to EM and attracting risk-averse, stability-focused trustees (Chi-Square = 140.621, $p < 0.01$, Pseudo $R^2 = 0.578$–0.613)—targeted support is recommended:

- **Time Flexibility:** Offer hybrid meeting options (virtual/in-person) and asynchronous decision-making tools (e.g., online voting platforms) to accommodate busy schedules, reducing the time burden identified in qualitative data.
- **Recognition Programmes:** Implement non-monetary rewards, such as annual appreciation events or public acknowledgement in charity reports, to validate trustees' efforts without crowding out intrinsic drivers (Bénabou & Tirole, 2003).
- **Support for Younger Trustees:** Create mentorship schemes pairing experienced trustees with newer, younger members, leveraging the mentoring satisfaction hinted at in qualitative insights to ease entry and sustain engagement.

Additionally, the possibility of introducing trustee salaries could be explored if supported by evidence, either through a more sophisticated analysis of the data collected in this study or by conducting further studies and experiments.

6.3 Strategic Trustee Recruitment

Current recruitment often prioritises expertise over motivational fit, yet this study shows motivation profoundly influences governance outcomes. Charities should refine their trustee selection processes to over-index on IM drivers, and ensure CD (Section 2.2.3) and mission alignment to improve board performance:

Motivation Profiling: Using structured interviews and questionaries that include questions such as the ones used for our survey to assess candidates' IM and EM, recruiting trustees with high IM and low EM or high on both IM and EM results in better mission alignment and decision effectiveness (figure 36, section 4.1.2). Hence, this step should be made an integral

part of the recruiting process.

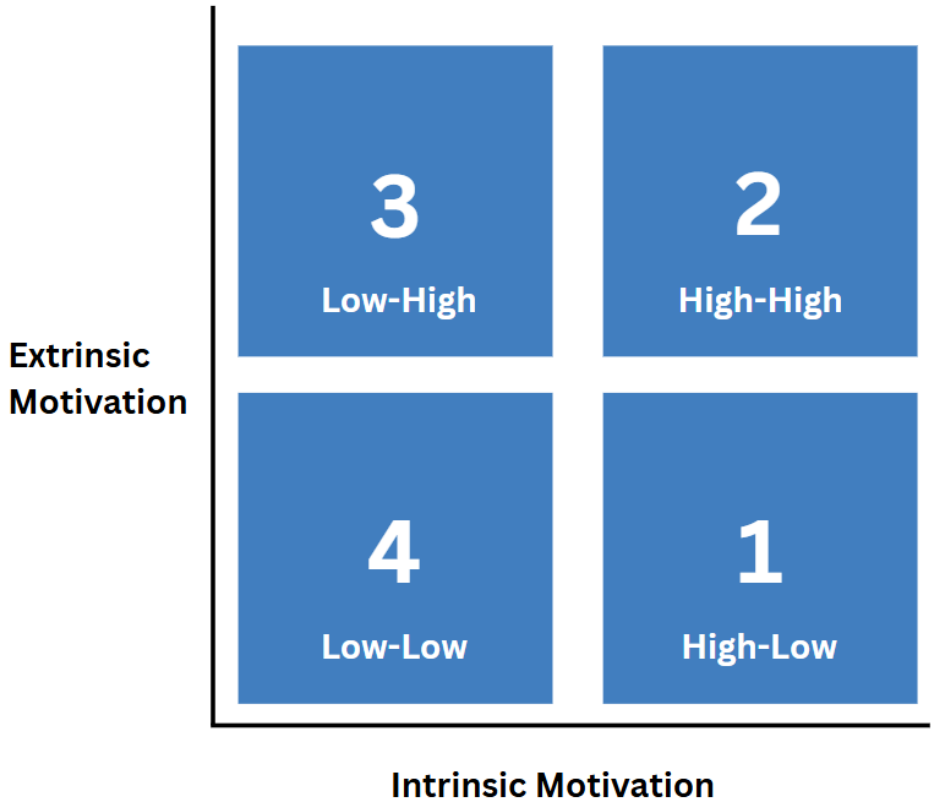

Figure 36: Intrinsic Motivation/ Extrinsic motivation

- **Diversity of Perspective:** Recruiting across age, sector, and socioeconomic backgrounds to mirror the heterogeneity seen in risk preferences (mean = 2.78, SD = 1.093) and counter in-group bias (Knippenberg & Schippers, 2007), can improve board performance.

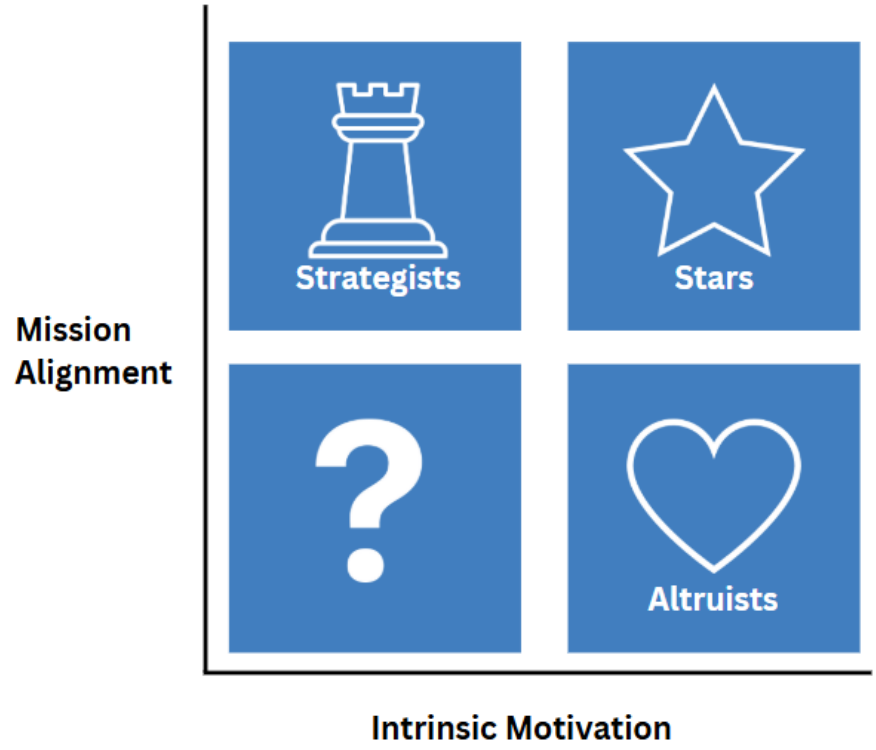

Figure 37: Intrinsic Motivation vs. Mission Alignment

Candidates could be evaluated using the Mission/Motivation matrix to assess their compatibility with the charity's goals and the motivations driving their behaviour. Candidates who are 'stars' (display both strong mission alignment and IM) should be prioritised first, with 'strategists' (display strong mission alignment but little IM) and 'altruists' (display strong IM but little mission alignment) receiving less priority. Finally, candidates who are 'question marks' (display neither strong mission alignment nor IM) should only receive roles if compatibility concerns are addressed sufficiently by the candidate after further questioning.

These approaches could help charities build boards that are both mission-driven and pragmatically engaged, potentially driving more effective decision-making and an increased likelihood of achieving goals.

7. Conclusion

7.1 Answering Our Research Question

This study represents Phase 1 of a broader investigation into charity board decision-making, focusing specifically on individual trustees rather than board-level dynamics. The key findings highlight the role of motivation structures in shaping trustee behaviour, emphasising three core insights:

- **High IM and Low EM Influence Decision-Making** – Trustees with high IM, driven by ethical duty, personal values, and social impact, contribute more meaningfully to governance. However, their decision-making can be constrained by risk aversion and a transactional governance approach.
- **The Voluntary Nature of Trusteeship Has a Differential Impact** – Younger trustees experience greater negative effects due to financial and time constraints, often balancing full-time jobs alongside their trustee responsibilities. In contrast, older trustees, who are often retired, tend to have more time to engage in governance activities, allowing them to make more considered decisions. However, older trustees are not necessarily as motivated by IM alone, and governance structures and recognition mechanisms may influence their engagement. This suggests that governance structures must be tailored to support younger trustees more effectively while also ensuring older trustees remain engaged.
- **Trustee Recruitment Must Consider IM and EM Profiles to Ensure a Balanced Board** – To ensure board effectiveness, recruitment processes should evaluate motivation profiles, selecting trustees whose IM and EM align with the organisation's governance needs. Given that older trustees may be less influenced by IM alone and

younger trustees may face barriers to engagement, it may be most effective to build a mixed board composition that balances age diversity, motivation structures, and governance priorities.

These findings deepen our understanding of how individual motivation affects governance quality and provide a foundation for refining trustee selection, engagement, and support strategies.

7.2.1 Implications for Intrinsic Motivation

IM drives trustee engagement and effectiveness but can be undermined by excessive external incentives or governance constraints. Trustees who are motivated by personal values, ethical duty, and social impact contribute more effectively; however, without organisational support—such as training and clear roles—disengagement may occur. To sustain IM, boards should provide positive reinforcement, meaningful opportunities for contribution, and recognition programmes that align with trustees' values.

7.2.2 Implications for Extrinsic Motivation

While EM can help attract and retain trustees, over-reliance may encourage risk aversion and short-term decision-making. Trustees driven by rewards like networking and reputation may prioritise visibility over the charity's long-term sustainability. To prevent this, boards should balance extrinsic incentives with mission-driven engagement, ensuring recognition mechanisms support rather than override intrinsic commitment, fostering ethical and effective governance.

7.2.3 Implications for Trustee Boards

Effective governance requires a balance between IM and EM while mitigating conflicts. Boards should implement structured decision-making frameworks, accountability measures,

and targeted training to align mission-driven governance with financial sustainability. Furthermore, trustee recruitment should explicitly consider motivation structures to ensure an optimal composition that enhances decision quality and long-term engagement. Since trustee terms typically last three years, charities have regular opportunities to refine board composition. Prioritising IM in trustee selection ensures alignment with mission-driven governance, creating a more effective and engaged leadership team. Importantly, diversity—including age, background, and experience—should be a core consideration in trustee selection to help combat psychological biases. A balanced mix of younger and older trustees can help bridge gaps in IM and EM, ensuring mission-driven engagement and strategic governance.

7.2.4 Implications for Trustee Pay and Voluntary Governance

An ongoing debate in charity governance is whether trustees should receive financial compensation. While financial incentives could attract a broader candidate pool and enhance diversity, they risk shifting motivation structures toward extrinsic factors, potentially undermining voluntary governance principles. Future research should explore alternative compensation models and their impact on trustee engagement, governance quality, and decision-making dynamics.

7.2.5 Implications for Decision-Making Quality

Motivation structures and voluntary engagement shape decision-making quality in charity boards. Boards with high IM prioritise mission alignment but may lack financial rigour, while those driven by extrinsic factors, like reputation, focus on financial prudence at the risk of social impact. To improve decision-making, boards should adopt structured deliberation processes that balance financial and mission-driven objectives. Governance tools such as

decision audits, risk assessments, and scenario planning can further enhance decision robustness.

7.3 Academic Implications and Literature Expansion

This study advances research on charity governance, motivation theories, and decision-making quality. While prior literature examines volunteer motivation broadly, this study offers empirical insights specific to charity trusteeship. However, it also identifies gaps, particularly the role of CD in decision-making effectiveness. Future research should explore how governance structures can optimise the benefits of CD and assess the long-term impact of hybrid motivation models on trustee retention and board performance.

7.4 Conceptual Framework

To illustrate these relationships, the revised conceptual framework below provides a visual representation of how trustee motivation (intrinsic and extrinsic) interacts with collective deliberation (CD) to influence governance and decision-making outcomes:

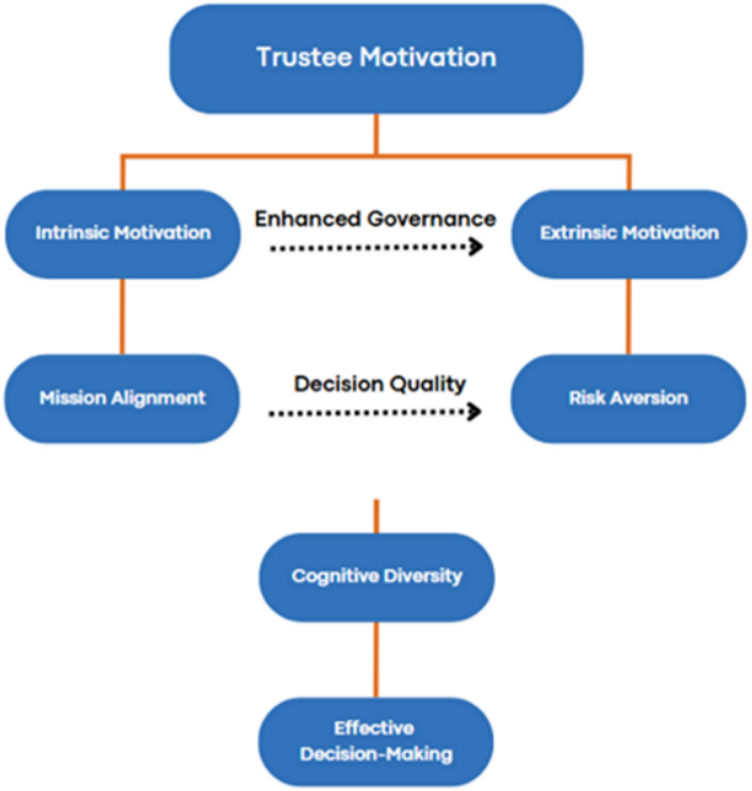

Figure 38: Revised Conceptual Framework

This framework underscores the importance of integrating diverse perspectives and motivation structures to strengthen charity governance.

7.5 Phase 2: Expanding from Individual Trustees to Board-Level Dynamics

This study lays the groundwork for Phase 2, which will extend the focus from individual trustee motivations to their collective impact within a board setting. Phase 2 will employ experimental methods to assess group decision-making processes, including:

- How different motivation compositions (high IM vs. high EM boards) influence governance outcomes.
- The role of collective deliberation in mitigating individual biases and enhancing decision quality.

- Specific governance interventions to optimise motivation structures for better board performance.
- How diversity in trustee demographics, including age, background, and experience, impacts governance effectiveness.

This phase will provide specific, evidence-based recommendations for policymakers, charities, and governance experts, ensuring that findings from Phase 1 are applied effectively in real-world board dynamics.

7.5 Concluding Remarks

In conclusion, this research offers a phase-specific understanding of how trustee motivation affects charity governance. By recognising the role of IM and EM in shaping individual trustee decisions, organisations can refine recruitment strategies, governance structures, and trustee engagement frameworks. Looking forward, Phase 2 will build upon these findings to explore how individual motivations interact within board settings, further advancing governance best practices for charities and the communities they serve.

Acknowledgements

The request and initial definition for this research project originated from Nigel Kippax based on his experience working with a wide range of charity boards over several years.

Team 5 would like to take the opportunity to express our gratitude towards the people who have supported us throughout this process and guided us to the completion of this thesis.

Richard Fairchild

We sincerely thank Richard Fairchild, our academic advisor, for his invaluable guidance, feedback, and support throughout this process. His expertise and encouragement have been instrumental in shaping our research.

Charity Excellence Framework & Ian McLintock

We are immensely grateful to Charity Excellence Framework and Ian McLintock, our project sponsor, for their generous support and for providing us with access to their benchmarking survey, which served as the qualitative data for this thesis. Their insights and resources have been invaluable in helping us understand the charity sector and its challenges.

Nigel Kippax

A special thanks to Nigel Kippax from Charity Leaders, whose industry expertise and engagement have been pivotal to our research. His insights and connections have greatly enriched our understanding and the impact of this project.

Dr. Neal Hinvest

We would like to express our gratitude to Dr. Neal Hinvest from the University of Bath's Psychology Department for his academic guidance and support, which have contributed to the success of this thesis.

Charity Finance Group, the Association of Chairs and former employees of Getting on Board

Thanks to the above organisations for their support in the qualitative data collection process.

Skills Centre

We would also like to thank the Mathematics Resources Centre (MASH) at the University of Bath for their invaluable statistical guidance and support. Their expertise has been instrumental in ensuring the accuracy and robustness of our data analysis.

Participants

Finally, we extend our sincere appreciation to all the participants who engaged with and completed our survey. Your contributions have been essential in shaping the findings of this thesis, and we are truly grateful for your time and insights.

We deeply appreciate the time, knowledge, and encouragement provided by all those who have supported us throughout this journey.

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