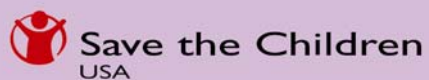


SANDEEP

Series of Training Modules
on Organizational
Development



Organization, Governance and Leadership



SANDEEP

Organization Development Training Module

Organization Governance & Leadership

**Kathmandu, Nepal
November 2006**

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Acknowledgement

Save the Children USA works through its *SANDEEP* program to help NGOs strengthen their capabilities to deliver services to communities in need. This Governance Module is one step in that strengthening process. We hope it provides the NGOs and those working with NGOs the tools to enhance their knowledge and governance skills.

What is governance? In essence it is trust. Trust between members of an NGO that enables them to work efficiently and effectively together. Trust between an NGO and the community its works with. Trust between an NGO and other stakeholders, like the Government, which are involved with the NGO. To build trust there needs to be honesty and openness. Governance systems provide the means by which an organization can be transparent and accountable, and can exercise oversight over its own performance. Governance systems enable the members of an NGO to participate in decisions which concern them, and to include communities and other stakeholders in decision making. The result of transparency, accountability and participation is greater trust resulting in greater efficiency and effectiveness, and better programs for communities in need.

This Governance Module was made possible through the support of USAID, and I thank them for their support. The Module was written by Subas KC, of Kathmandu University School of Management, with assistance from Ashish Shrestha, of Solutions Centre. I would like to thank them for the wonderful work they have done. Also I would like to thank Roger Hodgson and Deepak Koirala of Save the Children for professional inputs and overseeing the preparation of the module, and Sandhya Lama of Save the Children, for working on final type up and corrections.



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Module Specification

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About the Modular Series on Organization Development Training

..... Context and Focus

Save the Children USA (SC/USA) works in partnership with International Non-Government Organizations (INGOs), Non-Government Organizations (NGOs), and local government authorities to implement its programs that promote institutional building of local organizations and government through strong leadership. As embodied in its international goals, SC is committed to building the capacity of partners, communities, and adults so as to ultimately achieve sustainable development in each country.

SC's view of capacity building goes beyond the conventional perception of training. The central concern of NGO capacity building perspective of SC is developing leadership and human resources, institutionalizing governance (developing systems and policy procedures), managing changes, enhancing coordination and linkages with donors and stakeholders, creating opportunities for sharing experiences, and empowering the community for policy influence. SC views capacity building as an ongoing and holistic effort that enhances the internal and external capabilities of an organization.

Since October 2003, SC is implementing a five-year project called "SANDEEP" for strengthening the NGO sector in the mid- western, far- western and eastern regions of Nepal. The strategic goal of *SANDEEP* is to enhance the capacity of the NGO sector to improve the delivery of health, education and economic support systems, especially for women, children and disadvantaged groups.

To accomplish this, *SANDEEP* aims to achieve results in three key areas:

- Strengthened and sustainable operational and financial capabilities of individual NGOs, networks and Intermediary Support Organizations (ISOs);
- Expanded linkages among and/or between NGOs, government, donors and private sector institutions to deliver effective and sustainable health, education and economic services to conflict affected communities; and
- Enhanced program learning, sharing and collective action among and/or between NGOs, government, donors and private sector institutions, to increase effectiveness and sustainability of service delivery.

As part of this support to partners, *SANDEEP* works with them to assess their organizations, analyze the results and identify strengthening activities, and then prepare capacity building plans. Based on these plans, *SANDEEP* supports organizational strengthening process by using a variety of activities such as trainings, workshops, review/reflection meetings, and exposure visits to build the capacity of partners.

As a key capacity development input, *SANDEEP* plans to bring out a Modular Series on Organization Development Training (MS – ODT) for training organizational members of Partner Organizations (POs) and Intermediary Support Organizations (ISOs) in the project area and for initiating the process

of developing them. The MS- ODT covers six core areas of organization development identified through the assessment of and consultations with these organizations using the Institutional Development Framework (IDF). The series thus represents the capacity development needs of the NGOs in the project area as identified by them.

This series presently contains six training modules, each module focusing on one core area of capacity development of NGOs. More modules may be added to the series in the future after the implementation and evaluation of these six modules and as and when other capacity development needs are identified.

The modules combine the capacity building approach of training with the diagnostic process approach of organizational development. This combined approach is expected to provide NGOs with the basic resource for making informed analysis and plans to carry out organization development actions while giving less experienced organizational capacity building facilitators a structure through which they can help NGOs develop.

..... Goal and Objectives of MS –ODT

Development Goal

Enhance in-house capacity of the Partner Organizations (POs) and the Intermediary Support Organizations (ISOs) for initiating, implementing and sustaining the process of developing their organizational effectiveness by working in a systematic and professional way on the various aspects and issues of organizational functioning.

Specific Objectives

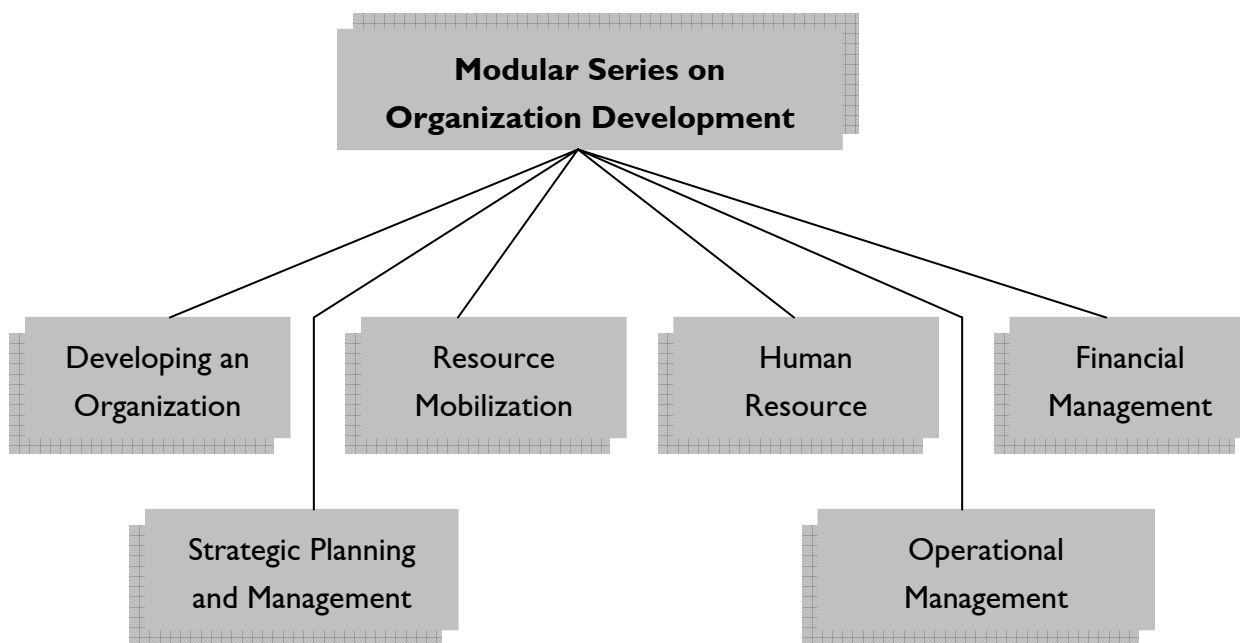
The modules are designed to support the members of the participating organizations to:

- Enhance understanding of the core elements of an organization and the way they influence organizational functioning, assess how they are designed, and initiate actions to improve their effectiveness for developing organizations;
- Manage their organizations strategically by planning, implementing, and controlling organizational directions and core strategies to address the evolving environmental challenges and opportunities more proactively for organizational growth and for better service delivery;
- Mobilize effectively people and non-people resources, both community-based and external, to plan and implement their services and programs and to develop capacity of their organizations;
- Design effective systems, processes and methods for managing resources, services, and programs of their organizations and implement them efficiently for improving organizational performance;
- Develop and use human resource systems and capacity of their organizations for ensuring the regular availability and productive utilization of competent and committed workforce for enhanced human resource performance in the organization; and

- Develop and follow sound financial policies, systems, and plans to operate financial transactions and to achieve financial sustainability of their organizations.

..... Structure and Contents

MS-ODT is designed and developed in six modules, one module addressing each capacity development area as defined in the specific objectives. The six modules are as given below:



1. Module One: Developing an Organization

This is a four-day module for NGOs leaders (board chairperson and members, executive directors) and senior managers. It helps them understand, assess, and develop their organizations from a strategic point of view. It explains the concepts and core elements of an organization and discusses governance and leadership in NGOs from the perspective of improving their existing structures and practices in order to develop organizational effectiveness.

2. Module Two: Strategic Planning and Management

This is a four-day module for local NGOs leaders (board chairperson and members, executive directors) and senior managers. It helps them manage their organizations strategically by establishing superior alignment with the environment and developing organizational capacity. It introduces the concepts and process of strategic planning and describes the techniques of planning, implementing, and evaluating strategies towards pursuing their mission.

3. Module Three: Resource Mobilization

This is a four-day module for local NGOs leaders (board chairperson and members, executive directors) and senior managers. It helps them mobilize and utilize resources for program

development and management. It focuses on principles, policies and methods of fund raising and mobilization, financial sustainability, and resource utilization within local NGO environment.

4. Module Four: Operational Management

This is a four-day module for local NGO managers including executive directors, functional managers, and senior staffs (supervisors). It helps them manage their respective functions, programs, and projects systematically. It covers management concepts, processes and tools such as operational planning, monitoring and evaluation, coordination, supervision, and participatory management.

5. Module Five: Human Resource Management

This is a four-day module for local NGO managers including executive directors, functional managers, and senior staffs (supervisors). It helps them develop and utilize the workforce in their organization productively. It covers principles and techniques of workforce planning, staff selection, job allocation, staff development, performance management, and staff relations.

6. Module Six: Financial Management

This is a four-day module for board chairperson, treasurer and members, executive directors and accountants. It helps them manage financial resources prudently and effectively. It introduces the policies, principles and methods of financial planning and control, accounting, and auditing,

..... Design Principles

The organization development training program is designed following the **modular structure** to delineate and sharp-focus specific learning outcomes. The modular structure offers flexibility in use as each module can be used as a stand-alone package to develop a particular competency or multiple modules can be combined to develop a range of competencies.

The training modules in this series follow the **competency-based approach**. Specific elements of competencies required for the performance of the roles and functions the modules cover have been identified. The training design contains such contents and processes that will ensure the learning of those elements (i.e. knowledge, ability, and orientation) to the level that is required for satisfactory performance of the roles and functions. This will help the transfer of learning from the training situation to the real work situation.

The modules are based on the **selective coverage** of the job elements and the competencies for their performance. Rather than focusing on the wide range of tasks involved in performing the identified roles and functions, only a few but critical elements have been selected to build competencies for their effective performance.

.....About the Modules

The six modules of this series have been prepared to address the training needs of local NGO leaders, managers, staffs, and organizational members who have roles and responsibility for developing their organizations. Each module identifies several specific target groups. These modules should be primarily used for training them. However, they can also be adapted to train other groups of people working for and with NGOs with similar job responsibilities and learning needs.

A training module can never be complete nor can it be rigid. Flexibility and continuous adaptation in the use is an important feature of any training module. Following this basic principle of module design, these six modules in the series are designed to be flexible so that the facilitators can tailor the work schedule to meet the needs of different target groups. It is suggested that the facilitators of these modules make necessary adaptations and innovations to suit specific requirements of a given situation. Users of these modules should not rigidly restrict themselves to the guidelines or contents presented here. They should build on the materials these modules contain and be flexible to the extent required by the contexts in which they use the modules. All modules have been prepared in a user-friendly style both in their contents and presentations.

The development of each module is based on three components: the **knowledge and skills** related to the functions the module addresses, the **assessment** framework and tools the learner can apply in his/ her organization, and the **action** assignment for applying the learning in the organization.

Each module contains an **entry system** setting up requirements for entering into the module, including assessment of participants against the learning objectives of the module. The **main body** of the module includes planned learning activities with detailed facilitation guidelines, materials for implementing learning activities, and background resource materials. The module also contains an **exit system** providing for learning assessment and transfer activities for application in the organization. A user guide for the facilitators accompanies each module.

Overview of the Module

Welcome to the training module **Developing an Organization** prepared as a basic resource for training leaders and managers of local NGOs. This module is a part of SANDEEP's MS-ODT.

..... Why this Module?

Developing understanding of what makes an organization and what keeps it going is vital for managing and leading organizations towards their mission. Leaders and managers in local NGOs in Nepal have a need to improve understanding of the core governing variables of the organization and the way they influence its functioning and effectiveness. Such understanding will help them assess and improve the design of their organizations and develop their effectiveness.

This module helps local NGO leaders and managers to enhance understanding of the way their organizations are designed and functioning. It serves as an introductory step towards understanding organization and organizational process, leading to other manuals in this series. It focuses on the three major governing variables of an organization: organizational core elements, governance system, and leadership. Equipped with the knowledge of core governing variables of an organization, NGO leaders and managers will be in a better position to lead and manage the process of developing their organizations.

..... Who this Module is for?

This module is for training **local NGO leaders and managers** who are responsible for leading, managing, and developing organizations towards their mission. This group includes board chairpersons, executive directors, and other key decision makers. The learning activities and reading materials are designed for them.

The module is prepared as a training manual. The facilitators who deliver the module will be its primary users. It is important that they already have some basic facilitation skills. It is also helpful if they have some previous knowledge on issues related to organization and its development.

..... Goals and Objectives of the Module

Instructional Goal

Enhance understanding of the core elements of an organization and the way they influence organizational functioning, assess how they are designed, and initiate actions to improve their effectiveness for developing organizations.

Enabling Objectives

After completion of all the activities and study materials of the module, participants will be able to:

- Apply the framework of core organizational elements to understand and assess the nature and functioning of their organizations;
- Improve the governance system of their organization by strengthening the structure and

- performance of the board;
- Perform leadership roles and management processes more effectively for better organizational results; and
 - Use a systematic process of organization development for improving organizational effectiveness.

..... **Structure and Contents**

The module is organized into three learning units.

Unit One: Organization and Its Core Elements. This unit introduces the concept of organization and its key elements.

Unit Two: Governance in NGOs. It helps to understand governance in an organization and characteristics of good governance.

Unit Three: Leadership and Management. It introduces roles of leadership and management in an organization.

..... **Timing**

Four days (32 contact hours)

Entry Documents

..... Entry Guidelines

- A. Have the participants who are taking this module read through its detailed learning objectives given in the next section.
- B. If, after reading them, they feel that they can fully satisfactorily perform all or most of the activities described without studying them in the module, they may not require taking this module. So you may allow them to skip it. But, before doing so, it may be useful to have them take the entry test of the module to make sure that they really don't need the module. If the score is less than 50 percent, the participant requires the module.
- C. If, after reading them, they feel that they cannot perform all or most of the activities described without studying them in the module, they require taking this module. Have them take the entry test of the module. If the score is 50 percent or less, the participant requires the module.

..... Learning Objectives

After completion of all the activities and study materials of the module, participants will be able to:

- Describe what an organization is and identify its core elements;
- Explain the distinguishing characteristics of an NGO as a specific form of social organization and identify their major types;
- Describe the concept of a system and use the systems framework to understand an organization and its functioning;
- Explain the role of organization structure and identify its various types as a core element of organizational design;
- Analyze the design of their organizations in terms of the core organizational elements and identify improvement needs to develop them;
- Define what governance is in an organizational context and describe the framework of governance;
- Explain the responsibilities, composition, and process of developing a governing board in a non-government organization and adopt those processes to develop their own boards;
- Identify the principal responsibilities and competencies of the board members, officers and committees in a non-government organization and prepare their job descriptions for use in their organizations;
- Describe the roles of the chief executive officer in a non-government organization and identify the division of responsibility between the roles of the board (governance) and the executives (management);
- Evaluate the working of a governing board in an NGO;

- Assess their organizations in terms of the core governance elements and identify improvement needs to develop them.
- Describe the basic concepts and functions of management and leadership and compare and relate them as the core processes of developing organizations;
- Explain and apply the various leadership and management qualities, roles and functions, behaviors and practices, competencies, and styles for being effective leader managers; and
- Describe the various aspects of improving team effectiveness and use systematic procedures for developing teams for developing organization.

..... **Entry Assessment**

The items for the entry test for participants follow in the next pages. The test is compulsory for all participants wanting to take the module.

- A. Make copies in necessary number of the test questionnaire beforehand.
- B. Administer the test before offering the module under standard conditions. The standard conditions are:

Time: 20 minutes

Modality: Closed book written test

Type: Trainer administered

- C. Explain the test procedures, including how to answer the questions.
- D. Work out test scores of participants immediately after the test. The key to scoring the test items is given in the User Guide.
- E. Share the score with participants.
- F. Encourage them to set goals for higher learning achievements as they study the module.

Module One: Developing an Organization

Entry Test

Answer all 15 questions. The maximum time available is 20 minutes.

Q.1 An organization is a system of value creation. Which one of the following actions is not a way that an organization uses to create value? Circle the most accurate statement.

- a. It uses well established work methodology to operate.
- b. It chooses appropriate inputs for running its operations.
- c. It influences the beneficiaries to change their needs to match its services.
- d. It offers its services to the beneficiaries who need or want them.

Q.2 Below are given five examples of the core elements of an organization. Which core elements the examples can be identified with? Write the correct answers in the given space.

<u>Examples</u>	<u>Core Organizational Elements</u>
a. Mission and goals	_____
b. Shared norms	_____
c. Knowledge and skills	_____
d. Roles and policies	_____
e. Leaders and managers	_____

Q.3 One NGO has identified in its strategic plan that it wants to achieve the following:

“Organizational development and better management practices among groups or organizations working for community level economic development.”

This is an example of the organization’s:

- a. Mission statement
- b. Goal statement
- c. Vision statement
- d. Strategy statement

Circle the most accurate statement.

Q.4 What are the two basic defining characteristics of a non-government organization which differentiate it from a public agency? Write the correct answers in the given space.

- a. _____
- b. _____

Q.5 As a system, an organization works with some components. Give one example each for the components listed below. Write the correct answers in the given space.

<u>System Components</u>	<u>Core Organizational Elements</u>
a. Input	_____
b. Conversion process	_____
c. Output	_____
d. Environment	_____

Q.6 Which of the following statements cannot be taken as a direct implication of viewing and managing an organization as a system? Circle the most accurate statement.

- a. For organizations to be effective operation, they should give outputs of more value to the environment than the inputs they receive.
- b. For effective performance, organizations must design its core components or parts in such a way that they are congruent or aligned with each other.
- c. Organizations, as an entity separate from its owners and members, should ensure its organizational welfare and sustainability to continue to operate in future.
- d. Organizations should explore various options and ways of achieving their purpose.

Q.7 Which one of the following is not the main role and responsibility of a governing board in a non-government organization? Circle the most accurate statement.

- a. Fund raising
- b. Executive selection and assessment
- c. Fiscal responsibilities
- d. Fund management

Q.8 There are various determinants (organizational situations) and also the design options of the structure of an organization? Below are given some examples of the nature of the organizational situations. Which types of options of organization structure are appropriate for the given organizational situations? Match them in the space provided.

Organizational situations: Mature or stable stage of organizational life cycle; Multiple goals or goal diversity; Dynamic or unstable environment; Declining stage of organizational life cycle.

Design options: Flexible and decentralized structure; Centralized structure; Down sizing; Formal and differentiated structure; Differentiated and extended structure

<u>Organizational Situations</u>	<u>Design Options</u>
a. _____	_____
b. _____	_____
c. _____	_____
d. _____	_____

Q.9 Which one of the following is jointly shared by the board and the chief executive officer? Circle the most accurate statement.

- a. Determination of strategic priorities
- b. Staff management
- c. Governance laws and rules formulation
- d. Financial and physical resource management

Q.10 Which of the following elements can be closely identified with the three aspects of the functioning of a team in an organization? Sort them into the appropriate columns.

- | | |
|---|-------------------------------|
| a. Specific long-term and short-term objectives | b. Roles and responsibilities |
| c. Group structure | d. Operating processes |
| e. External demands | f. Team composition |

<u>Tasks</u>	<u>Team</u>	<u>Tools</u>
a. _____	_____	_____
b. _____	_____	_____
c. _____	_____	_____

Q.11 Study the following statements carefully and identify which organizational concepts they define. Write the correct answers in the given space..

- The process of influencing people for the achievement of organizational goals.
- The act of applying various practices in order to combine in an efficient, effective and economical way various resources in the pursuit of certain goals.
- Bringing activities of different persons or units into proper relation to each other to make certain that everything that needs to be done is done

- _____
- _____
- _____

Q.12 Which of the factors or elements given below are governing instruments and which ones are governance powers? Sort them into appropriate columns in the space provided.

- Policies and rules
- Revenue generation
- Agreements with others
- Regulations
- Enforcement
- Constitution or laws of the organization

<u>Governing Instruments</u>	<u>Governance Powers</u>
a. _____	_____
b. _____	_____
c. _____	_____
d. _____	_____

Q.13 Which one of the following is not a basic characteristic of good governance in non-government organizations? Circle the most accurate statement.

- Teamwork among the organizational members.
- Transparency in operations.

- c. Accountability of the leader and manager.
- d. Equity and fairness.

Q.14 Below is listed some basic attributes, orientations and behaviors of leaders and managers. Which ones of them are more closely associated with leaders and which ones with managers? Sort them into appropriate columns in the space provided.

- a. Commitment
- b. Control
- c. Systems, process and technology
- d. Initiating and originating
- e. Responding and reacting
- f. Directing
- g. Strategic opportunism
- h. Preferred future, principles, and purpose

Managers

Leaders

- | | |
|----------|-------|
| a. _____ | _____ |
| b. _____ | _____ |
| c. _____ | _____ |
| d. _____ | _____ |

Q.15 Which of the following statements about the effective leadership style is more correct in the context of an organization? Circle the most accurate statement.

- a. Participatory leadership is effective.
- b. Delegating leadership is effective.
- c. There is no one best style of leadership.
- d. Leadership is not needed in non-government organizations.

Q.16 Which of the following statements comes closer to the basic concept of governance in non-government organizations? Circle the most accurate statement.

- a. A system of coordinating organizational efforts towards a common direction.
- b. Management of the overall organization and its performance.
- c. Structure and systems that direct and control the organization as it pursues its goals.
- d. Relationship of the organization with the government agencies.

UNIT ONE

Organization and Its Core Elements

..... Introduction

This unit introduces a framework to understand what an organization is and what makes it up, with specific reference to the nature of an NGO. It lays emphasis on understanding organization as a system and elaborates two of its core elements: ideology and structure. This framework is then used to relate to the core issues of governance and leadership in NGOs in the two units that follow.

..... Learning Objectives

After completion of all the activities and study materials of the unit, participants will be able to:

- Describe what an organization is and identify the core elements and growth stages of organizations;
- Explain the distinguishing characteristics of an NGO as a specific form of social organization and identify their major types;
- Describe the concept and properties of a system and use the systems framework to understand an organization and its functioning;
- Explain the key determinants and elements of organizational structure and design appropriate structures of their organizations using those components; and
- Analyze the design of their organizations in terms of the core organizational elements and identify improvement needs to develop them.

..... Structure and Timing

Activity One: Understanding Organization (Two hours)

Activity Two: Understanding Non-Government Organization (Two hours)

Activity Three: Organization as a System (Two hours)

Activity Four: Designing Organizational Structure (Three hours)



Total Time: Nine hours



UNDERSTANDING ORGANIZATION



Time: Two hours

..... Why do this Activity?

Organizations are everywhere in the society; we all are associated with multiple organizations and regularly use the services and goods they deliver to us. But we rarely think about what makes an organization and what keeps it going. Many of us take organizations for granted without really trying to understand what it is and how it functions. Those of us who lead and manage organizations must develop a good understanding of the basic concept and components of an organization. Equipped with such understanding, we can develop organizations to make them even more useful for the society. This activity helps us build an understanding of organization.

..... Learning Objective

- Describe what an organization is and identify the core elements and growth stages of organizations.

..... How to do the Activity?

Note

Make all necessary preparations before the start of the activity. Open up the activity following the general guidelines for facilitators.

Step I: 45 minutes

Case discussion Divide participants into mixed groups of 3-4 persons each. Give them the case exercise *Bal Sarokar Kendra* (Case Exercise I.1). Ask them to discuss in the groups the issues given at the end of the case and to record their findings on chart papers. Ask each group to write statements defining a formal organization and to list the main properties of an organization based on the information they generate in group work.

Plenary Assemble the groups. Have each group present their findings taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each others findings.

Using the definitions generated, develop a joint “working definition” and main properties of an organization. Showing visuals, explain the concept and properties of a formal organization.

Note

While facilitating discussions on the concept and properties of a formal organization, use selectively the information given in the handout. Stress on the concepts of an organization being an entity for coordinating actions to achieve a goal and a system for creating value. Display the agreed "working definition" and properties of an organization on the wall for the remainder of the workshop.

Step 2: 30 minutes

Briefly introduce the core elements of a formal organization with the help of visuals.

Group
exercise

Divide participants into five small groups. Assign one core element to one group. Each group is to list various aspects/ factors of a formal organization they can associate with the assigned core element. Also ask them to come up with real examples of some of the factors they identify, based on their experience. For example, if the group working on ideology identifies vision as a factor related to this element, then they are to give an example of vision of an organization they are familiar with.

Plenary

Assemble the groups. Have each group present their findings taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each others findings.

Showing visuals, explain the core elements of a formal organization with appropriate examples. For an example, show visual of ideology of *Bikas* given in the handout.

Note

While facilitating discussions on the core elements of a formal organization, stress on the issue of the need for alignment of the elements with each other for organizational effectiveness.

Step 3: 45 minutes

Handout

Distribute reading material (Handout 1.1a and 1.1b) to participants and ask them to quickly browse it as they prepare to do the individual assignment.

Group/
individual
assignment

Ask participants from the same organization to form a group for the assignment. If there is just one participant from an organization, he/she should work on his/her own. Hand out the Assignment Sheet (1.1). Ask them to analyze their own organization and prepare its profile by discussing and answering the questions given in the assignment.

Note

This assignment may take more time than it is possible to give, and the groups may not fully complete it within the given time. State that it is okay if they can come up with a couple of examples in case of each question. Encourage them to continue to work on the issues even beyond the training session as they are very critical to understand the concepts of an organization. Presentation of this assignment during the session may not be necessary. Encourage them to share quickly the new understanding they have now developed about their own organizations.

Conclude the activity with summary of key learning points. Assess the learning of participants by asking questions randomly about the key contents covered.



Time out



Materials

- Chart papers, markers, flipchart board, white board, overhead projector and transparencies of visuals.
- Copies of handouts for each participant.
- Copies of case example and assignment sheet for each participant.



Handouts

- Handout I.I (a): Understanding Organization.
- Handout I.I (b): Organization Ideology: Components and Example
- Case exercise I.I: *Bal Sarokar Kendra*
- Assignment I.I: Understanding Own Organization

UNDERSTANDING ORGANIZATION

Most human actions take place in or are influenced by organizations. For example, we are born in a family and get education from schools. They are important social organizations. We join and spend much part of our life working in formal organizations of economic, social, religious, or political nature. We use products and services one or another organization produces and delivers to us. At the same time, we make contributions and deliver services to the society through the organizations we are associated with.

Organizations are so commonplace in our life and in the society that, despite their critical importance, they are often taken for granted. While we acknowledge the fact that we can't conceivably dissociate ourselves from organizations, only few of us make serious efforts to understand what really makes an organization and what keeps it going. This is true even for leaders and managers who create and run organizations and are responsible for their sustenance and development. Understanding organization and how it functions is an essential knowledge every leader and manager must build for developing their organizations.

What is an Organization?

People create and run an organization to satisfy the needs of their own and those of the others who they want to serve by delivering some services or products. For example, people who need and value entertainment for themselves and for others create a culture club. Those who want to make money by delivering services or goods to other people need set up a business organization. Similarly, members of a community desirous to make social and economic progress, come together to form a community development organization.

An organization is a response to and a means of satisfying human needs as identified by a group of people who have a common interest in and can mobilize resources for satisfying them. Commonly perceived and valued needs of a group of people give rise to an organization, defining its purpose of existence and operation.

People and their commonly shared purpose are, however, not sufficient for achieving the things they desire or value. They must create a framework for them to work together in a coordinating and unifying way that makes it possible to mobilize various actions, processes and resources towards achieving their purpose more effectively and efficiently than would otherwise be possible. Such a purposive structure for people to work collectively towards the shared goals is the most fundamental defining character of an organization. This is what differentiates an organization from an informal group of people who come together for a common task.

With an organization it is possible for a group of people with common needs and purposes to work towards attaining them in a better way. In this sense, an organization is **an entity formed by a group of people to coordinate their actions and resources to obtain something they desire or value - that is, to achieve their goal.**

An organization thus consists of people and shared purposes as well as a structure of coordinating their efforts to achieve them. Various people are involved in an organization. The shared purpose binds all of them together in a framework of organizational membership. For coordinating the actions to achieve the common purposes, organizational members create certain structures of activities and patterns of relationships, which in turn develop a system of behaviors, practices, and culture influencing the actions of people. Organizational membership and structures work best when there is the required capacity to perform, and it is sustained and continually strengthened. These elements give continuity to the organization, unlike in case of an informal group, which may exist for a very short period of time.

When all these properties are properly in place, an organization creates value to its members and to its targeted groups of people, thereby satisfying their needs. An organization may thus be conceptualized as **a system of value creation**. This is the fundamental justification of an organization: organizations create and deliver value to the intended groups of people.

An organization creates value in three ways as shown in Fig. 1. Value creation takes place at three stages: input, conversion, and output. The environment in which the organization operates, affects each stage. (The concepts of the systems components such as input, conversion, and output will be explained in one of the subsequent units).

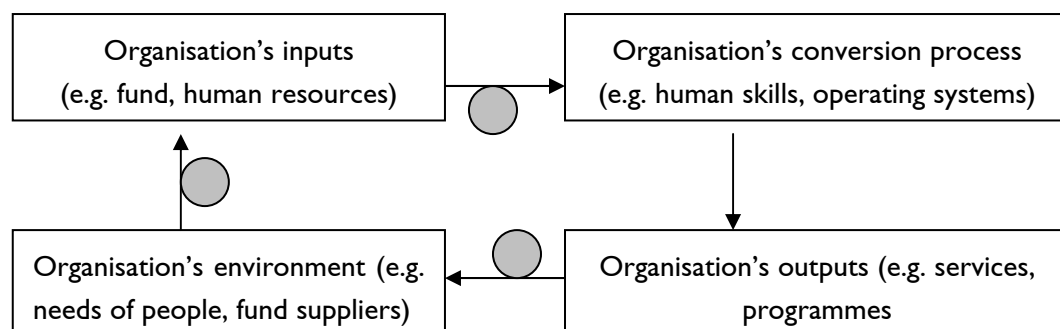


Fig. 1: Process of Value Creation by an Organization

First is the stage of environment to inputs. The way an organization chooses and obtains the inputs to produce goods and services creates value and determines its extent. For example, if it is able to recognize the most important needs of the people or obtain capable human resources, it will be in a position to create more value. The second stage involves inputs to conversion. The way the organization uses human resources and technology to transform inputs into outputs determines the degree of value created. Lastly, at the stage of output to environment, the creation of value is determined by the way the organization releases its goods and services to the environment. If the services are positioned to the most appropriate target groups in the right time and place, more values will be created.

Core Elements of an Organization

From the discussion of its concept, we can identify some core elements that make up an organization. They are illustrated in Fig. 2.

People

An organization is started and run by people. Some people recognize the needs and opportunity to satisfy them and then gather and use resources to meet those needs. They are entrepreneurs. They create organizations. These core people, together with other senior organizational members, give directions and structures for the actions of the people in the organization. They give leadership and management. The workforce performs the actions to produce the desired results within the given direction and structure. An organization will perform effectively if these peoples share common understanding of the purpose, have expected capacity to perform, and coordinate their efforts through some kinds of structures.

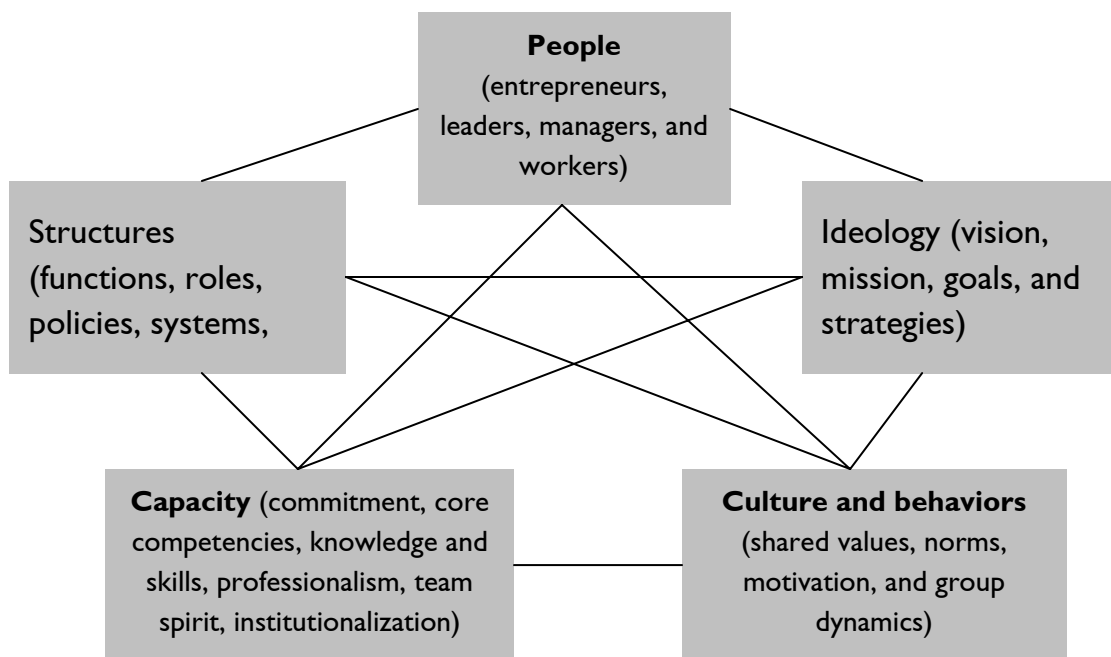


Fig. 2: Core Elements of Organization

Ideology

Ideology here refers to the fundamental ideas guiding the direction and operation of an organization. Each organization has some kind of vision about the future it is working towards, a mission or purpose it pursues, strategies it uses to use its core competencies to achieve its mission, and specific output goals to be achieved within a specified period of time. Without these core ideas, an organization is likely to wander about without getting anywhere. Every organization will perform better if organizational members have agreed on its vision, mission, strategies, and goals, and these core ideas determine the other elements of organizational functioning such as structure, capacity, and behaviors.

Structure

Structure is an arrangement of people, activities, resources, and processes for coordinating them to operate an organization. It provides a systematic framework for carrying out functions necessary for

pursuing mission and implementing strategies. It involves various elements: functions or group of activities necessary for achieving the goal; policies and systems for their implementation; governance process; roles and responsibilities of people; a defined pattern of relationship among various roles and people in terms of communication, authority, accountability, supervision, and control; a mechanism for coordinating people, their actions, and the resources available. For an organization to work effectively, it is necessary to have a structure that is in line with its ideology and culture and provides best opportunity for its people to use their capabilities.

Culture and Behaviors

Organizational culture is the pattern of shared values and norms that shape people's behaviors and control interactions with each other and with outside people. It is created by the founding leaders and evolves through various major events and organization experiences. An on-going organization operates through different patterns of behaviors at the individual, group and overall organizational levels. Culture and behaviors strongly influence the performance of an organization.

Capacity

Organizational capacity refers to both the ability and competencies of people in the organization and the quality of the systems in place. It includes commitment, core competencies, knowledge and skills, professionalism, team spirit, and institutionalization of the systems and processes. Capacity must support organizational ideology, and it should be continuously improved if an organization is to perform effectively.

Alignment

A proper alignment of all these core elements with each other is a critical condition of effective organizational functioning. For example, if the strategy of an organization is to work through partnership with other organizations while supporting them for their capacity development, then it must have a strong in-house capacity and structure (probably a separate capacity development support unit or role with necessary professional expertise) to help partner organizations develop their capacity. The organization should also have a strong culture of collaboration, mutuality, and regular consultations.

Much of the problem in developing organizational effectiveness arises as a result of a lack of alignment between any two or more of the core organizational elements. Developing organization is in a large measure a process of designing and redesigning these core elements to establish proper alignment among them.

Organizational Life Cycle

Most organisations pass through a sequence of stages of development, although at different rates. It is important that leaders and managers are familiar with the various stages and are able to direct the organization according to the needs of the stage it is in.

		MATURE	
		CONSOLIDATION	
LAUNCH/GROWTH			
EMERGENT			
Organization's objectives often unclear, unrealistic.	Organization has set some long-term goals. May not yet have strategic plan.	Personnel policies implemented but not consistently followed.	Organization is able to support 30-50% of operations from self-generated revenues.
Fragile management, systems.	Organization chart exists but does not reflect actual structure.	More sophisticated organogram showing units, reporting/coordinating relationships created.	Detailed, effective human resources, financial management, other systems in place.
Founder makes program decisions, conducts fund-raising.	Records, reports designed primarily to satisfy donor requirements.	New systems implemented with written guidance.	Routine review, updating of management systems, systems guidance and training on systems use.
Few initiatives without donor support.	Supervisors do not regularly plan, report.	Increased diversity of donors, revenue, other support.	Ability to track cost centers, project revenue and expenditures.
Income limited, or non-existence.	The Board is still primarily friends or family of the Founder.	Staff training depends on donor requirements, support.	Marketing assets, including training, to generate revenue.
Small staff.	Community outreach is sporadic; no structures exist to ensure it is systematic.	Community outreach and participation fully incorporated into problem identification, planning, implementation, monitoring.	Community major source of revenue and support.
Board in formation; limited community input.	Increased reliance on external (donor) resources.	Supervision decentralized with effective feedback, follow-up mechanisms.	Bottom-up planning, with consolidation, feed-back, monitoring at higher levels.

Fig. 3: Organization Growth Stages and Characteristics

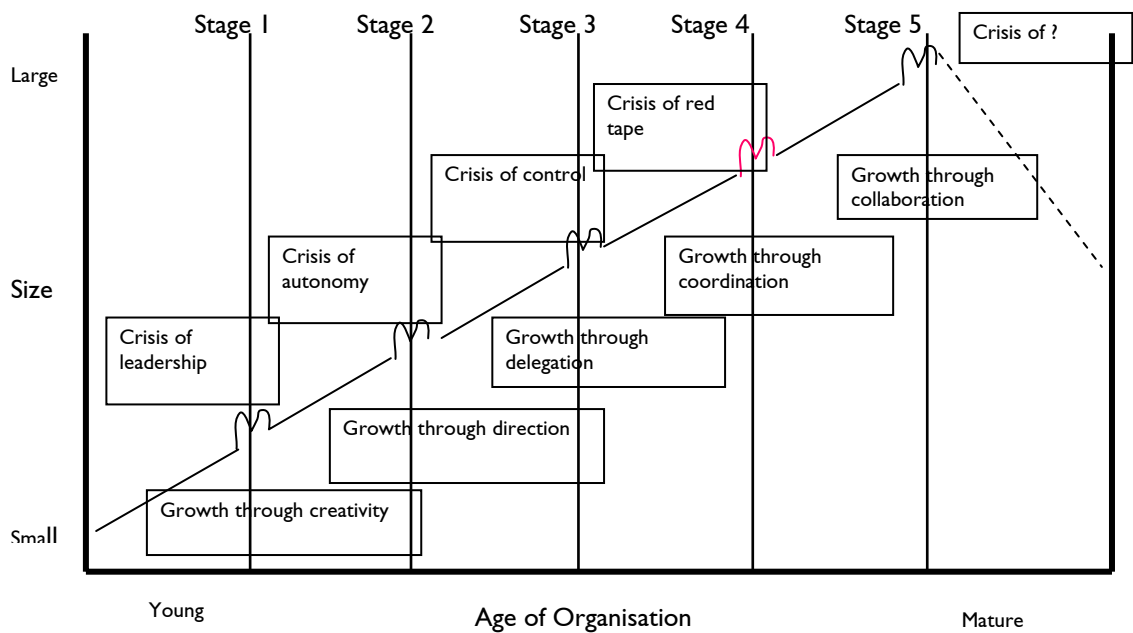
Generally, there are four stages of the life cycle of an organization: formation/ birth, growth, consolidation, and mature/institutionalization. The characteristics of the organization at each stage are given in Fig. 3.

An organization should be able to carry out more functions at each successive level of growth. With each successive stage, an organization should re-examine its systems and structures structure to see if it is keeping pace with the new realities that it is facing. For example, most new organizations do not have adequate management systems or staff. They are only beginning to get organized and so may have highly centralized management or control by just a few persons. The structure is designed so that staff can fill multiple roles. Resources may also not be adequate, and most data collection or reporting is designed to satisfy donors or national requirements.

Opportunities are present at all stages; they need to be recognized and used in order to advance through to the next stage. Problems may occur at any stage; they should be anticipated, diagnosed

and addressed to move on to the next stage. Otherwise decline and dissolution processes may start at any stage. If the stages are not managed effectively, each stage may end in a crisis due to a major problem triggering off the process of decline and dissolution. To advance to the next stage, managers need to successfully manage and solve the problem-based crisis. The general problems and growth strategies at each stage of the life cycle are presented in Fig.4.

Fig. 4: Organization Growth Stages and Characteristics



ORGANIZATION IDEOLOGY: COMPONENTS AND EXAMPLE

The ideology of an organization is made up of several components such as vision, mission, strategy, and goal.

Components and their Concepts

A **vision** is a short statement describing the ideal future situation which the organization expects to achieve as its ultimate final achievement.

A **mission** is the overall purpose of the organization, the fundamental reason for its existence and operation.

A **strategy** is a way in which an organization has planned or seeks to achieve its mission. Strategies are broad-based and limited in number.

A **goal** is a short term result that is expected to be achieved within a specific period of time.

All these fundamental "ideas" are interlinked, each one flowing from and influencing the others. They are organized in the form of a hierarchy, starting from an overall vision and moving down to a mission, strategies and goals. Collectively, they determine and guide the direction and operation of an organization. Fig.1 shows the relationships among these concepts.

Example

An example of how vision, mission, goals and strategies flow one from the other and then lead to programs and projects is illustrated below.

“Bikas” is an organization registered as a development agency. It was started by a group of professionals and practitioners in rural economy and community development in 1985.

Bikas’s operations are based on the organization's vision, which is “a prosperous and inclusive society”.

To reach such a society, there are many things that could have been done. Within Bikas, it was decided to narrow it down so as to identify the mission of the organization.

The mission of Bikas is: “To build and strengthen sustainable institutional and community level initiatives for economic development through partnership at all levels”.

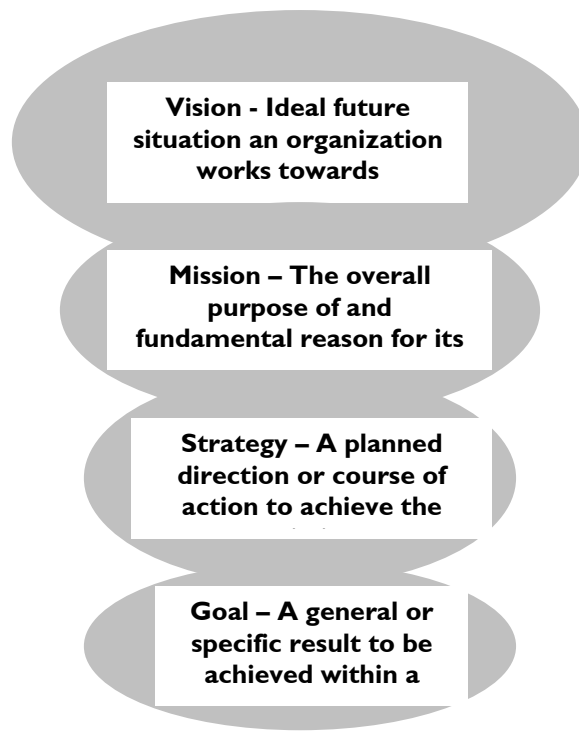


Fig. 1: Hierarchy of Organization Ideology

No mission can be achieved without specific strategy or plan of action. Thus Bikas laid down specific strategies to achieve its mission.

Bikas formulated two such strategies, one of which is: “Organizational development and better management practices among groups or organization working for community level economic development”.

The goals had to be found within each strategy. One of the goals, closest to the strategy given above, was “To promote sustainable organizational and resource mobilization and development”.

BAL SAROKAR KENDRA

Established in 1989, by people from varied field of human psychology, social rights and development, *Bal Sarokar Kendra* (BSK) is working for the rights of the children and against child labor exploitation. The organization benefits from a pool of expertise, who has been involved in the fields of designing, planning and implementing programs and activities. BSK works under the guidance and governance of its executive committee formed by people who have numerous years of experience in this field. Under the able leadership of Krishna Tamang, it has been able to project itself as the advocate organization for the rights of the children in the country

BSK is working for the child rights with focus on children living and working under difficult circumstances. Its main areas of focus are child labor, street children, child marriage, bonded labor, and trafficking of children. It raises the voice of children through lobbying, campaign and pressure to the government to protect and promote child rights in the country, and to end all kinds of exploitation, abuse and discrimination against children.

As a concerned organization to the children at risk, BSK has been also undertaking a number of socialization, support and rehabilitation programs. It puts special emphasis on networking with other organizations to fulfill its objectives. It has a separate unit dedicated towards increasing its network and level of cooperation among other organizations. BSK depends on various fund raising programs and donors-based activities to carry out its programs and activities. Presently, it is working with over 50 community-based organizations and 15 partner organizations in advocating for the rights of the children and against child exploitation.

Tasks for the Group

1. Discuss the following issues:
 - Whose needs the organization is trying to satisfy? Which needs it is responding to?
 - What is the fundamental purpose of the organization? Is the purpose relevant in relation to the needs?
 - What structures are in place to coordinate actions and resources to achieve the purpose? Are the structures functioning well? Why or why not?
2. Based on the information generated, write statements defining a formal organization and list the main properties of an organization.

UNDERSTANDING OWN ORGANIZATION

In the assigned groups or individually, analyze your organization and prepare its profile by discussing and answering the questions given below.

Whose needs the organization is trying to satisfy? Which needs it is responding to?

1. What is the fundamental purpose of the organization? Is the purpose relevant in relation to the needs?
2. What structures are in place to coordinate actions and resources to achieve the purpose? Are the structures functioning well? Why or why not?
3. What are the environment, inputs, conversion processes, and outputs of the organization?
4. How the organization is creating values at the three stages? Is it satisfactory? What improvements can be made?
5. What are the examples for each core elements of the organization?
6. Do the organizational elements align with each other? Which ones align and which ones do not? Which elements should be modified for better alignment?
7. What stages of growth the organization has passed through? What are the issues it faced at each stage and how did it address them?

..... Activity Two

UNDERSTANDING NON GOVERNMENT ORGANIZATION



Time: Two hours

..... Why do this Activity?

NGOs occupy a unique position in the population of organizations as they share some of their characteristics with public agencies as well as business enterprises while differentiating themselves from both on many aspects. In fact, an NGO has its own distinguishing characteristics, which give it a unique organizational identity. However, many people often fail to appreciate the unique identity of an NGO. There are varying interpretations of the concept of NGO as a form of organization, and there is no unanimity in its defining characteristics. It is important that NGO leaders and managers have a clear understanding of these distinctive features of NGOs so that they can run them in appropriately without diluting their uniqueness as an organization. This activity helps develop such understanding.

..... Learning Objective

- Explain the distinguishing characteristics of an NGO as a specific form of social organization and identify its types.

..... How to do the Activity?

Note

Make all necessary preparations before the start of the activity. Open up the activity following the general guidelines for facilitators.

Step I: 40 minutes

Case discussion	Divide participants into mixed groups of 3-4 persons each. Give them the case exercise <i>Karigar and Nepal Noodles</i> (Case Exercise 1.2). Ask them to discuss in the groups the issues given at the end of the case exercise and to record their findings on chart papers. Ask each group to list the main similarities and differences between the two organizations and to identify which one of them may be described as an NGO and why. Ask them to put together their definition of an NGO and to list its defining characteristics based on their discussions.
Plenary	Assemble the groups. Have each group present their findings taking their turn. Discuss

the outputs of the group work encouraging each group to clarify, comment, and critique each others findings.

Using the definitions generated, develop a joint “working definition” and main characteristics of an NGO. Showing visuals, explain the concept of NGO and summaries the characteristics as identified by participants.

Note

At this stage, don't explain the defining characteristics of NGO. Save it for the next step. While facilitating discussions on the concept of NGO, use selectively the information given in the handout. Stress on such defining elements as not-for-profit, voluntarily but formally organized entity, outside public structure, social or public mission, formal governance structure, and entrepreneurial spirit and democratic management practices. There may not be unanimity among all participants in some of the defining elements. In such a case encourage discussions challenging participants to come up with strong and logical arguments. However, after a reasonable time, draw the conclusion with your input. Display the agreed "working definition" of an NGO and the summary list of characteristics on the wall for the remainder of the workshop.

Step 2: 50 minutes

Presentation/ discussion

Go back over the summary list of NGO characteristics as identified in the earlier step. Using the list as a reference point, briefly introduce the key defining characteristics of an NGO as identified in the handout with the help of visuals. Ask why each characteristic is important for a distinct identity of an NGO and how an NGO is different from a public agency and a business enterprise in relation to that factor.

Group/ individual assignment

Ask participants from the same organization to form a group for the assignment. If there is just one participant from an organization, he/she should work on his/her own. Hand out the Assignment Sheet (1.2). Ask them to relate the main characteristics to their own organization and identify some actual examples of the way they are incorporated.

Note

This assignment may take more time than it is possible to give, and the groups may not fully complete it within the given time. State that it is okay if they can come up with a couple of examples in case of each characteristic. Encourage them to continue to work on them even beyond the training session. Presentation of this assignment during the session may not be necessary. Encourage them to share quickly the new understanding they have now developed about NGOs.

Step 3: 30 minutes

Presentation/ discussion

Showing visual, briefly introduce the types of NGOs as presented in the handout.

Facilitate a general discussion on the types of NGOs, encouraging participants to identify one or more real examples of each type presented.

Note

There may be considerable amount of discussion concerning the categorization of NGOs. This is usual – however try to draw the discussion to a conclusion within a reasonable timeframe. If there is still disagreement, explain that there can be various ways one can categorize NGOs – these are only needed for common understanding during the workshop.

Conclude the activity with summary of key learning points. Assess the learning of participants by asking questions randomly about the key contents covered.



Time out



Materials

- Chart papers, markers, flipchart board, white board, overhead projector and transparencies of visuals.
- Copies of handouts for each participant.
- Copies of case exercise and assignment sheet for each participant.



Handouts

- Handout 1.2: Understanding Non Government Organization.
- Case exercise 1.2: *Karigar and Nepal Noodles*
- Assignment 1.2: Understanding Own Organization as an NGO

UNDERSTANDING NON-GOVERNMENT ORGANIZATION

Organizations abound in any society. They exist every where, come in all shapes and sizes, pursue every conceivable purpose, and operate following a variety of modalities. Hence, it is not easy classifying them into fully satisfactory categories. However, a broad way of looking at organizations would be to differentiate them in terms of whether they are government organizations, business organizations, or non- government organization (NGO).

Whereas government organizations represent the public sector guided by the concept of public service, business enterprises operate in the private sector with a clear economic mission of profit making. An NGO is different from both, though it incorporates some of their features.

What is a Non Government Organization?

The most visible aspect of the nature of an NGO is that, unlike most organizations in the business sector, it does not exist for making profit out of the investment made. Hence, it is a not-for-profit organization. As a nonprofit, the primary purpose of an NGO is not to make money but to serve the public. They have a social mission of serving the public.

Despite having the public service mission, NGOs are not the same as public or state agencies. They are established outside the ownership and full control of the government voluntarily by the members of the civil society to pursue some kind of public service mission and meet certain social needs. Although NGOs have a public service mission, they do not necessarily have a stated or implied mandate of "universality or equality" (that is, a mandate to serve everyone in the field of their work) the way public agencies usually do. As a result, an NGO's actual constituency may be far more limited than that of a public agency working in the same field. Additionally, a nonprofit, unlike a public agency, often has entrepreneurial nature in the way it is established and operated, which brings it closer to the characteristic of a business entity.

In fact, an NGO is neither in the profit sector nor in the public sector but sits somewhere between the two. It combines some of the basic characteristics of both while incorporating other unique features of its own. An NGO may be described as **a not-for-profit entity voluntarily yet formally set up outside the institutionalized public structures by people of the civil society having a common interest in serving particular social or public purpose through entrepreneurial spirit and democratic management practices.**

Going by this description, a large variety of organizations which are nonprofits, are voluntarily set up, and pursue some public service purpose may be described as NGOs. However, not all organizations that display these characteristics are true NGOs. They may be charities, private or public trusts, voluntary local associations, traditional cooperative structures, or local government bodies, and professional groups. They are nonprofits but not necessarily NGOs in the sense the concept is used here. An NGO, as it is defined here, is **a social organization with a stated public service mission formally created within the legal framework of the country and operating under formal governance structures.**

NGO activities can range from development agencies, research, information distribution, training, local organization, and community service to legal advocacy, lobbying for legislative change, and civil disobedience. NGOs can range in size from small groups within a particular community to huge membership groups with a national or international scope.

Characteristics of an NGO

From the above description of an NGO, some important and unique characteristics of this type of organization can be derived.

- NGOs are not-for-profit entities with no stated or implied purpose of making profit out of the services or products they create and deliver. This is what differentiates an NGO from a business and economic organization.
- They are formally constituted entities, incorporated under the laws of the land as formal organizations to execute the stated programs and activities. This is what differentiates an NGO from local, informal groups.
- They must have stated public service purposes focused on particular constituencies or target beneficiaries and their social, economic, development or humanitarian needs. A NGO has a clearly defined group of people who benefit from its actions which are generally not open to all as in case of a public agency. This is what differentiates an NGO from both a business enterprise and a public agency.
- They are voluntarily created and self-governed entities without direct control or management by external public bodies, including governments. This is what differentiates an NGO from a public agency.
- They have a civil society base in the sense of both having originated and grounded in private initiatives and supports of the general public and their activities being directed at their wellness and development. This is what differentiates an NGO from both a business enterprise and a public agency.
- Their governance structure is formal and democratic but precludes self-interest and private financial gain for those who are responsible for governing them. This is what differentiates an NGO from a business enterprise.
- Their management is based on entrepreneurial spirit in the sense of creating and utilizing opportunities to accomplish the mission with optimization of the use of resources being a basic guiding principle. This is what differentiates an NGO from a public agency.
- They create social capital by value addition in terms of the formation of human capital (skills and competencies) and social capital (structures, norms and institutions for social relations and behaviors). And this is what differentiates it from a business enterprise.
- They exist in complementary relationships with both the public sector and the profit sector in order to create sustainable and equitable development in a society. They are not competitive institutions; rather they create space for collaboration and partnership among the various organizations and institutions. This is what differentiates an NGO both from a business enterprise and a public agency.

There are some major implications of these characteristics for the management and development of NGOs. The fact that NGOs have their unique organizational characteristics differentiating them from both the profit sector and public sector organizations allows them great flexibility in their operation. But at the same time these distinctive characteristics of NGOs also pose major challenges to NGOs and demand great skills in their management. Some of the major challenges facing this form of organization are:

- Articulating a clear public service mission and establishing precise success measures to evaluate its relevance and effectiveness.
- Developing an operational mission in terms of precise and measurable goals with clear measurement criteria of mission- performance.
- Developing a strategy platform outlining how operational mission is fulfilled in terms of funding, organisation, clients, and program development.
- Deciding on its constituencies and involving representatives of the constituencies in all phases of the organisation's operations.
- Managing with the use of organization and management concepts, strategies and techniques developed in the context of profit organizations or public organizations.
- Sustaining the motivation of organizational leaders and members for their continued involvement without the instrument of financial motivation as in case of profit organizations or glamour of power as in case of public organizations.
- Creating and sustaining a meaningful space and a prominent role in between public and private organizations while being complementary to their efforts.

Types of NGOs

NGO types can be understood by their mission orientation and level of operation. NGOs may have the following four mission orientations:

Charitable Orientation

This includes NGOs with activities directed toward meeting the needs of the poor and may also undertake relief activities during a natural or man-made disaster.

Service Orientation

This includes NGOs with activities such as the provision of health, family planning or education services in which the program is designed by the NGO and people are expected to participate in its implementation and in receiving the service.

Participatory Orientation

This is characterized by self-help projects where local people are involved particularly in the implementation of a project by contributing cash, tools, land, materials, or labor. Cooperatives often

have a participatory orientation.

Empowering Orientation

This is where the aim is to help poor people develop a clearer understanding of the social, political and economic factors affecting their lives, and to strengthen their awareness of their own potential power to control their lives.

NGO operates at several levels from local to international. Four levels of operation are clearly discernible:

Community-based Organizations (CBOs)

These are organizations which arise out of people's own initiatives. These can include women's organizations, neighborhood organizations, religious and educational organizations. There are a large variety of these, some supported outside organizations, and others independent of outside help.

Citywide Organizations

They include organizations such as the Rotary or Lion's Club, chambers of commerce and industry, coalitions of business, ethnic or educational groups, and associations of community organizations. Some exist for other purposes, and become involved in helping the poor as one of many activities, while others are created for the specific purpose of helping the poor.

National NGOs

They include organizations such as the Red Cross and professional organizations. Some of these have state and city branches and assist local NGOs.

International NGOs

They range from agencies such as Save the Children organizations, OXFAM and CARE to religiously motivated groups. Their activities vary from mainly funding local NGOs, institutions and projects, to implementing the projects themselves.

KARIGAR

A society for crafts and craftspeople Karigar is a registered society that aims at improving the economic status of craftspeople, thereby promoting the survival of traditional crafts. It was founded in 1991 by six women, who had worked in the craft and development sector including Leela Adhikari, who is the current Chairperson of Karigar.

Karigar strongly believes in “craft” as a social, cultural and economic force that despite being marginalized has enormous strength and potential and has a vital role to play within the economic mainstream of the country. The crux of its program is to help craftspeople, especially women, to use their own traditional craft skills as a means of employment, income generation and economic empowerment.

Karigar guides the process of developing a craft – from identifying the skill and creating awareness of its potential in both craftspeople and consumer, developing, designing, costing and then marketing the product, and finally suggesting the proper usages and investment of the income generated. The objective is to make the craftspeople self-reliant, independent of both the commercial middleman and organizations like Karigar to market and sell contemporary products directly, and not to subsidize craft.

The Karigar cooperative shop, and the Karigar exhibitions and bazaars, where artisans sell their products directly to the customers, expose craftspeople to the market and give them a firsthand knowledge of customer tastes and trends. Recently, Karigar acquired an export license, thus enabling it to provide an alternative as well as an international market for the craftspeople. As groups become self-sufficient, Karigar directs its support to new groups and assists them in their growth. Presently, Karigar is working with over 100 groups.

Apart from the support services and craft development consultancies, which Karigar provides to its own family of craft producer groups, it has increasingly been asked to provide evaluation and consultancy services to other government, non-government and international agencies. Crafts and craftspeople have a vital role to play – not just as part of the cultural and aesthetic past, but as part of the economic future of the country. Karigar is committed to help prepare the craftspeople, the craft product and the consumer, for the future.

NEPAL NOODLES

Nepal Noodles Pvt. Ltd. (NNPL) started its first productions of its *Mitho* brand of noodles in 1999. NNPL's board of directors comprises of reputed industrialists R.B. Kansakar, N. Bhandari and T. Chaudhary. NNPL was established with the vision to be the best packaged food company providing utmost satisfaction to its customers. Individuals with immense work experience and academic and professional qualification have teamed up to form the management of NNPL.

The plant for the production of noodles was established in Hetauda, Makwanpur spread over 5 acres of land with latest and advanced technical collaboration with Malaysia's number one noodle manufacturer. The present the production capacity is 20 metric ton per.

NNPL places high importance on production of quality products and ensuring that its distribution is able to reach all the parts of the country. NNPL's innovative marketing and promotions has made it possible for the company to achieve approximately 30% of the market share for the noodle industry, within a period of 5 years only.

The company is providing direct employment to over 500 employees and over 1,000 families indirectly. The company puts high value towards ensuring that its employees' and the shareholders' interests are secure, without compromising on the customer satisfaction. NNPL also believes in supporting social causes and has actively participated in providing educational scholarships to disadvantaged children.

Tasks for the Group

1. Discuss the following issue:
 - What are the similarities and differences between the two organizations in terms of their basic organizational features?
2. Based on the information generated, identify which one of them may be described as an NGO and which one is not an NGO. Give convincing reasons.
3. Write a statement defining an NGO and list its defining characteristics based on the discussions.

UNDERSTANDING OWN ORGANIZATION AS AN NGO

In the assigned groups or individually, relate the main characteristics of an NGO given below to your organization and identify evidence or example of the way they are incorporated.

1. Does the organization have a non-economic organizational motivation? Evidence?
2. Is the organization an incorporated body? Evidence?
3. Does the organization have a public service mission focused on targeted beneficiaries? Evidence?
4. Has the organization been voluntarily organized and is it self-governed? Evidence?
5. Does the organization have a civil society base? Evidence?
6. Does the organization have a formal and democratic governance structure? Evidence?
7. Does the organization have entrepreneurial management? Evidence?
8. Has the organization formed social capital? Evidence?
9. Is the organization complementing to the works of public agencies and business organizations? Evidence?

..... **Activity Three**

ORGANIZATION AS A SYSTEM



Time:

Two hours

..... **Why do this Activity?**

As emphasized in the earlier activities, organizations are a system of value creation. The concept of system provides a powerful framework to analyze and understand organizations. The various components and processes of system and the interrelationships between them explain how an organization creates value for all those who are associated or connected with it. With such an understanding, we can design and develop our organizations to make them more effective. This activity helps to understand organizations as a system and identify the implications of the systems perspective for developing organizations.

..... **Learning Objective**

- Describe the concept and properties of a system and use the systems framework to understand an organization and its functioning.

..... **How to do the Activity?**

Note

Make all necessary preparations before the start of the activity. Open up the activity following the general guidelines for facilitators.

Step I: 30 minutes

Presentation/
discussion

Present the model of a system with the help of visual by taking example of any system from the real life situation. Explain the components and process of the illustrated system giving several examples of each component and process (i.e. inputs, conversion process, outputs, and feedback).

Note

At this stage, it is advisable not to take the example of an organization. Take example of any system (social, biological, or mechanical system). Prepare a visual of the illustrated system identifying several elements of each system component. Be careful not to define the concepts of system and its components just yet.

Group exercise	Divide participants into mixed groups of 3-4 persons each. Ask each group to choose one example of a system other than organizations and prepare a visual of that system incorporating all the four system components with several specific examples of each of them. Ask them also to define a system and its core characteristics based on their discussions and the example they have prepared.
Plenary	<p>Assemble the groups. Have each group present their findings taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each others findings.</p> <p>Using the definitions generated, develop a joint “working definition” and main characteristics of a system. Showing visuals, explain the concept of a system and summaries its properties.</p>
Note	Display the agreed "working definition" of a system and the summary list of its characteristics on the wall for the remainder of the workshop.

Step 2: 60 minutes

Presentation/ discussion	Drawing on the concept and properties of a system discussed in the earlier step, briefly explain the system perspective of organization: why and how it is a system. Stress on such elements as the environment, open system, systemic process, socio-technical system, purpose, entropy, steady state, and equifinality giving examples of each of them in relation to a particular organization.
Note	It is advisable to choose one real organization and prepare in advance a visual of the illustrated organization identifying its environmental constituencies and also inputs, conversion process, outputs and feedbacks. Also prepare examples of the other properties of organizations as a system.
Small group/ individual assignment	Ask participants from the same organization to form a group for the assignment. If there is just one participant from an organization, he/she should work on his/her own. Hand out the Assignment Sheet (1.3). Ask them to identify the various system components and properties of their organization with examples and to assess how it is designed and operating in terms of the properties of a system.
Plenary	Assemble the groups. Have each group present their findings taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each others findings.
Note	Encourage the groups to retain their outputs that describe their organization as a system. Advise them to share the findings with their colleagues in their own organizations and revise and refine the analysis with more inputs from them.

Step 3: 30 minutes

Brainstorming Facilitate a brainstorming discussion with participants on the issue of "What are the implications of viewing their organizations as a system for designing, operating and developing them?" After generating and discussing the contributions from participants, summarize the major implications with the help of a visual. Give real examples for each implication.

Note

It is important that the rules and steps of brainstorming session are followed.

**Group/
individual
assignment**

Ask participants to work in the same group as before. Ask them to identify, based on the implications discussed, the improvements that are to be made in the design and operation of their organization to develop its effectiveness as a system.

Note

This assignment may take more time than it is possible to give, and the groups may not fully complete it within the given time. State that it is okay if they can come up with a couple of examples. Encourage them to continue to work on them even beyond the session. Presentation of this assignment during the session may not be necessary. Encourage them to share quickly their assessment.

Conclude the activity with summary of key learning points. Assess the learning of participants by asking questions randomly about the key contents covered.



Time out



Materials

- Chart papers, markers, flipchart board, white board, overhead projector and transparencies of visuals.
- Copies of handouts for each participant.
- Copies of case exercise and assignment sheet for each participant.



Handouts

- Handout I.3: Organization as a System.
- Assignment I.3: Understanding Own Organization as a System

ORGANIZATION AS A SYSTEM

Most people look at organizations as "a system of value creation" (see Handout 1.1a). Others view organizations as "a system of people for satisfying commonly perceived needs" or "a system that coordinates people, resources, structures and technology to produce goods or services". Underlying all these perspectives is the concept of organization being a "system". The concept of system provides a powerful approach to understand an organization and the way it functions. It also provides a framework for assessing and developing organizations.

What is a System?

In very simple terms, a system is a collection of parts that work together in an integrated way to carry out or accomplish something. For example, a watch is a system as it has several parts which operate in a coordinated way to keep timing; it's a mechanical system. Likewise, human body is a system as it is made up of several organs integrated in a particular way that maintains life; it is a biological system.

What is important to understand is that a system serves to integrate the various components of an entity that are required for making it functional. The mechanical system integrates various parts of a watch and makes it perform its function of keeping time. Similarly, the biological system integrates the body parts and keeps an organism alive. Without such interdependence and interaction, the components within a set don't make a system. Hence, a pile of sand is not a system. If one removes a sand particle, it won't make any difference in the function of the pile of sand. A sand particle is not dependent on other particles, and even after removal of a particle, you've still got a pile of sand. However, an electric fan is a system. Remove the motor and you've no longer got a working fan, because the motor, one of its elements, in integration with the other elements, produces wind.

A system is a distinct entity separate from the environment within which it operates. It is distinctly identifiable from other entities in the environment. A particular living organism, e.g. human being, is a system as it is a distinct entity within a biological environment and is identifiable from other organisms. It means that each system has a boundary: anything within the boundary is a part of the system and things outside the boundary are environment. The environment comprises various larger forces and entities which influence the system and the way it operates. For example, the community, local politics, government rules and regulations, and local economy and culture all make up the environment of a local NGO.

The environment influences the system by placing demands on it, regulating the supply of resources and providing feedback to it, and using its outputs. For example, a community may have serious health issues that it wants the local NGO to address. This need of the community will influence the goals and functions of the NGO. The environment itself may be thought of as a larger system which comprises many smaller systems. For example, business environment is composed of several systems like business organizations, business rules and policies, consumers, and regulatory authorities. Each system has its own sub-systems. For example, a business organization has such sub-systems as finance, marketing, and information. Hence, systems are organized in hierarchy, each system being

operating within a larger system and in turn consisting of many subsystems.

From this perspective, a system may be described as **an identifiable set of two or more interdependent parts organized to carry out and accomplish specific functions**. A family is a system as it comprises and integrates various persons, roles and relationships, and is clearly identifiable from other families in the neighborhood. Politics is a system because it has several components like parties, ideologies, voters, governments, governing rules, parliament, rulers and the ruled. Politics integrate them all to produce good governance and welfare of the people, and it is easily distinguishable from other aspects of social or national life such as economy, culture, administration, education, religion, or public health. Similarly, an organization is also a system.

Systems operate through the sequential process of inputs, conversion, and outputs. A system imports inputs (*anything that the system acquires*) from its environment which it processes (*converts them*) to produce certain outputs (*goods or services or anything it produces*) that it exports to the environment. There is ongoing feedback among these various processes to ensure that they remain aligned to accomplish the overall goal of the system. If one part of the system is modified or removed, it affects the other parts while changing the nature of the system itself. They all must work well for the systems survival and effectiveness. Fig.1 illustrates this concept.

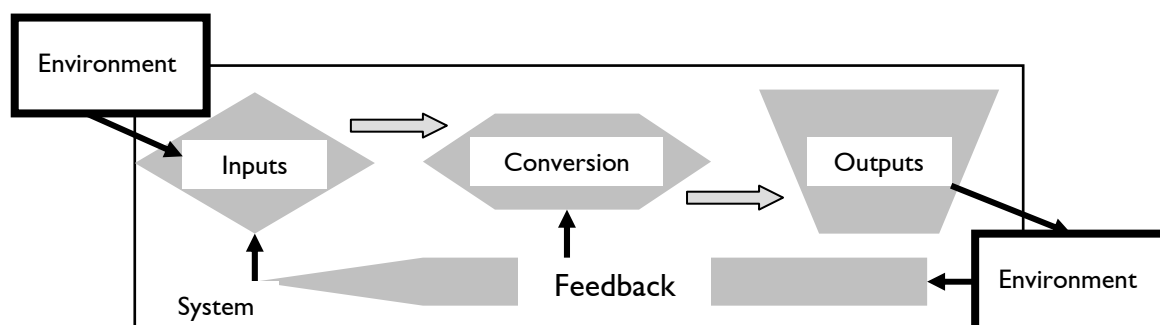


Fig. 1: System: Its Component and Environment

A system has some other distinct properties. It is important for us to understand them if we are to work with a system and improve its effectiveness. Each system has a purpose, which is reflected in its outputs. The purpose gives the reasons for its existence. The purpose of human body as a system is to keep the person alive and make him/her functional, and it is reflected in the mental and physical activities the person carries out.

A system runs the risk of running down or disintegration. It happens when it uses more resources for operating itself than it receives. This is called entropy. For example, a person becomes fully exhausted if he/she spends more energy than acquired through dietary intakes. This results in system breakdown. In order to keep the systems going - to sustain it – it is important for them to achieve negative entropy by exchanging outputs for enough inputs.

A system is that it has a tendency to achieve equilibrium or balance within it. Once such a balance is achieved, the system seeks to maintain it against disruptive forces. This is called steady state or dynamic homeostasis. This explains why there is resistance to change. For example, people resist rising early once they have set a balance between the sleeping time and activity time as it means

reducing their sleeping time.

Similarly, a system works on the basis of the principle of equifinality. It means there is more than one way of arriving at a particular state or outcome. Systems have multiple paths to goals. For example, a religious system may follow various practices to give people spiritual satisfaction.

Systems range from very simple to very complex. Traditional technology like water lifting from the well is a simple system with very few elements and simple relationships among them. A complex system, such as social system, comprises numerous subsystems within it. In many cases, the subsystems are arranged in a hierarchy, and integrated to accomplish the goal of the overall system.

A system may be closed in which case it shuts itself from within and does not interact with its larger environment in the sense of exchanging resources, information and products. A very traditional society is a closed system in that there is little, if any, interchange with the outside world. On the other hand, an open system is in continuous interaction with its larger environment. Examples of open systems include political parties or human bodies.

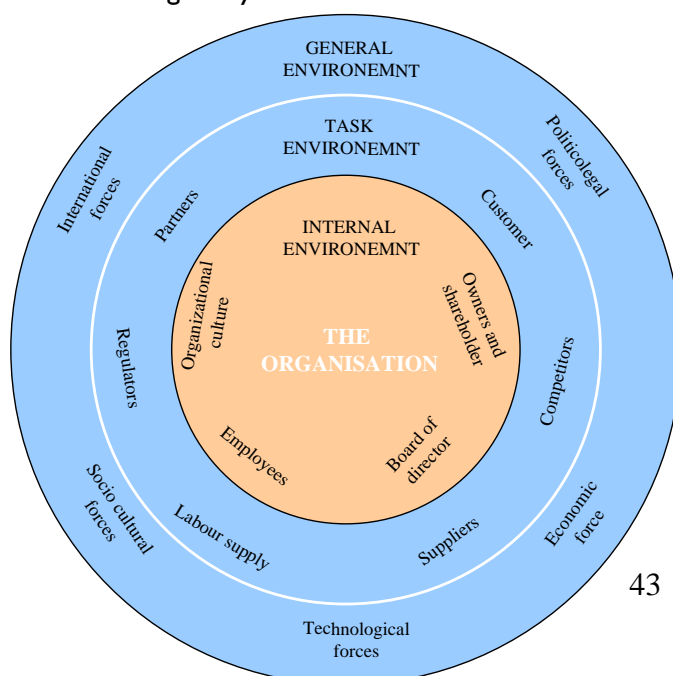
Analysis of Organization as a System

As stated earlier, an organization is a system. It is important to understand the basic characteristics of organizations as a system for designing, managing and developing them effectively. Like any system, an organization is composed of several parts or components. For example, an NGO has several various programs or units such as fund raising, program planning and implementation, staff training, and information management. They are its parts or sub-systems. The organization as a system serves to coordinate or integrate these parts to produce the expected results. Similarly, the NGO is a system because it is a distinct entity separate from other similar or different organizations. It is a clearly identifiable entity due to its name, ownership, purpose, outputs, work process or approach, positioning in the environment, and goodwill generated etc.

An organization exists and operates within a larger system called environment. The environment of an organization consists of several major forces directly and indirectly influencing the organization. The general environment comprises political- legal systems, economic systems, social-cultural systems, and technological systems which creates demand for the goods and services of the organization and

shapes the way it goes about meeting those needs. A more direct influence is created by what is called the task environment which consists of such forces as suppliers of resources, competitors, partners or collaborators, targeted beneficiaries or service users, and regulatory bodies. Fig. 2 illustrates the environment of an organization.

An organization is an open system and hence it maintains two-way relationships



with its environment: it acquires resources, information and needs from and releases goods or services to the environment by processing them. In this process, it receives on-going feedback from the environment and also from within about how it is performing in terms of receiving inputs, transforming them, and meeting the needs through its products, services or benefits.

Through this process, an organization creates value; and hence an organization is a value creation system. This systemic process of inputs, conversion and outputs is the core aspect of the functioning of an organization.

This process is illustrated in Fig.3. The inputs include the resources that the organization uses to achieve its goals (e.g. people, needs, money, information, technology, and materials). The process is the functions and activities that are performed to use the resources (e.g. management, human performance, technology, and structure). In this process, the inputs are aligned, moved along and carefully coordinated, ultimately to achieve the goals set for the system. The outputs are the tangible or intangible results that are achieved by processing the inputs (e.g. product, service, idea, change, and impact for the targeted groups of people and organizational members such as employees and owners). Feedback also comes from employees who carry out processes in the organization and from the users of the products or services. Feedback also comes from the larger environment of the organization, e.g., influences from government, society, economics, and technologies.

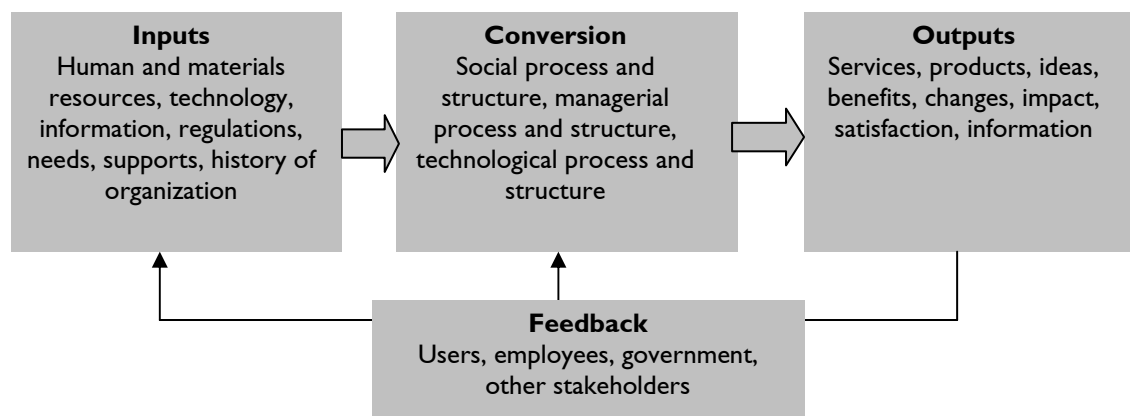


Fig. 3: Systemic Process of an Organization

All organizations comprise two interdependent systems: a social system and a technical system. It is a social system because it is made up of people, their behaviors, relationships, and values. It is a technical system as it operates through certain defined structures such as goals, operational and coordination frameworks (e.g. functional units or roles and their relationships), management processes (e.g. planning, monitoring, communication, and decision making), and technology (e.g. methods and tools for operations). An organization is thus a complex socio-technical system. It consists of several subsystems such as different functions, processes, departments or units of operation.

Each organization has a purpose which is reflected in its outputs. The vision, mission and goals of the organization embody the purpose. The purpose gives the reasons for its existence.

As systems, organizations occasionally experience entropy or the state of running down when they use more inputs or resources than they receive by releasing their outputs. A business organization

suffers loss or even goes bankrupt if it continues to face entropy. A social organization too will face the risk of being unsustainable if its services fetch less value than the resources it receives.

Organizations also show a tendency to maintain status quo or the existing state of things. This is due to the steady state nature of a system. This explains why there is resistance to changes in organizations. Failure to revise a policy or redesign a structure in place even after they have outlived their utility is an example of this organizational tendency.

Lastly, organizations can pursue different strategies and programs to achieve their stated or implicit goal. As the principle of equifinality suggests, there are multiple ways of arriving at the same goal. For example, an organization working for raising the health status in a community has the options of delivering direct health services, providing health education, or improving the hygiene and sanitation of the locality.

The organizational system is defined by its formal documents (articles of association, constitution, and bylaws), role of officers, mission, goals and strategies, policies and procedures, operating manuals, etc. The organization system is depicted by its organizational charts, job descriptions, resource materials, etc. The organizational system is also maintained or controlled by policies and procedures, budgets, information management systems, performance review systems, etc.

Implications for Organization Development

Looking at an organization as a system has several important implications for its design, operation and development.

- An organization in order to be successful must identify its environmental constituencies, recognize and responds to their needs and expectations, and understand and manage the way they influence the functioning of the organization.
- In order to create value, an organization must be able to choose and acquire the appropriate and cost-effective inputs, convert them into outputs by putting in place efficient and effective processes and structures, and release better outputs by producing and positioning them in the best possible manner. It should continuously receive and promptly and prudently respond to the feedback for improving all the three stages of the system.
- There should be proper coordination and integration among the various components or parts of the organization and also in the various stages of the organizational process (i.e. input receiving, conversion, output supply, and feedback receiving). Change in one component influences other components. Hence, any change in the organization should be analyzed and planned in view of its effects on the entire organization. Change in one aspect should be accompanied by corresponding changes in other aspects for its effectiveness.
- The purpose of the organization must be clear and focused and fully aligned with the needs of its environment without which the organization loses its relevance or validity. The purpose should be developed and periodically reviewed and reformulated in close interaction with the environment.
- An organization should integrate and optimize the social and technical systems and the

associated sub-systems to achieve high productivity and member satisfaction. An equal emphasis on should be given. Due to the complexity of coordinating social and technical systems, organizations need to be designed and operated carefully by balancing both behavioral (people) and structural factors.

- For organizations to be effective operation, they should give outputs of more value to the environment than the inputs they receive. This requires making efficient use of resources and creating more value in terms of better products or services so that they can continue to obtain necessary resources for their sustenance. Many organizations fail to survive and grow because they can't create negative entropy (i.e. using less resource for maintaining themselves than they get by offering their services or products).
- Organizations must adapt to changes taking place in the environment and internally for survival and growth. A strong resistance to necessary changes is a major constraint for organization's development.
- Organizations should explore various options and ways of achieving their purpose. Limiting to just one way of doing thing constrains the ability and scope of the organization to grow and achieve effectiveness as well as breeds organizational rigidity.
- An effective strategy to manage organization is to work backwards through the system process. It involves first establishing what is it the organization should ultimately achieve (goal), then identifying what it should produce (outputs), developing how to achieve them (strategies), designing processes for achieving them (structures and methods of operations), and finally identifying what resources are needed (inputs).
- For effective performance, organizations must design its core components or parts in such a way that they are congruent or aligned with each other. They must fit in with each other. They must also be aligned with the major environmental factors.

UNDERSTANDING OWN ORGANIZATION AS A SYSTEM

In the assigned groups or individually, identify and describe the various system components and properties of your organization giving real examples. Also assess how the organization is designed and operating in terms of the basic properties of a system.

1. What are the environmental constituencies of your organization?
2. As an open system, how the organization interacts with the environment?
3. What are the inputs, conversion process and outputs of the organization? What feedback is received in the organization? From which sources and how?
4. What are the purposes of the organization?
5. Is the organization experiencing entropy (system run-down)? How? Why?
6. How the organization is maintaining its steady state characteristics (resisting change)?
7. How the organization is adopting the principle of equifinality?
8. How the organizational system in the organization is defined, depicted and maintained?
9. Are there appropriate matching or alignment among the various systems elements?
10. What are the strengths and weaknesses in the design and operation of the organization from the system perspective?

..... Activity Four

DESIGNING ORGANIZATIONAL STRUCTURE



Time: Three hours

..... Why do this Activity?

Organizations create value through a system of coordinated efforts of people, activities and resources. Such a system of coordination is called its structure. Structure is a core element of organization which together with its system of governance, culture, and leadership and management gives an organization the capacity to achieve its goals. Despite such an importance of structure, it is not always properly designed in our organizations. Many of the organizational problems in organizations arise due to the poor design of their structures. By designing structures properly, they can be made more effective. Structural design or redesign is a major approach to developing organizations. This activity helps to understand the concepts of organizational structure, analyze the existing structure, and design the appropriate structure for organizations,

..... Learning Objective

- Explain the key determinants and elements of organizational structure and design appropriate structures of their organizations using those components.

..... How to do the Activity?

Note

Make all necessary preparations before the start of the activity. Open up the activity following the general guidelines for facilitators.

Step I: 60 minutes

Group exercise

Divide participants into mixed groups of 3-4 persons each. Give them the information sheet on *Dalit Bikas Sanstha* (Exercise Sheet I.4). Ask them to discuss in the groups the issues given in the sheet and to record their findings on chart papers. Ask them to define organizational structure, identify the core elements of an organizational structure, and list the purposes it serves.

Plenary

Assemble the groups. Have each group present their findings taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each others findings.

Using the definitions generated, develop a joint “working definition” and prepare a summary list of the core elements of organizational structure. Showing visuals, explain the concept of organizational structure and summaries its core elements and purposes.

Note

The facilitator may prepare by a short information sheet on one of the organizations of participants and use this sheet for the purpose of this activity instead of the given one. Discussion on the issues of a familiar organization will generate more informed and lively discussion. Display the agreed "working definition" of organizational structure and the summary list of its elements on the wall for the remainder of the workshop.

Step 2: 120 minutes

**Presentation/
discussion**

Using the concept and core elements of organizational structure discussed in the earlier step as background, briefly explain the major determinants and the core elements and process of designing organizational structure. Stress on the environment, technical system, goal and strategy, and target beneficiaries as the main determinants and differentiation – integration, centralization – decentralization, standardization – mutual adjustment, formal – informal relationships as the core design elements. Also, introduce the various design options: mechanistic (hierarchical/ functional) structure and organic (team and network) structure.

Note

At this stage, the purpose is just to introduce the various structural design variables. Hence, detailed explanation may not be needed. However, give examples to illustrate each variable during the presentation, and ask participants to relate them with their organizations, wherever possible.

**Small group/
individual
assignment**

Ask participants from the same organization to form a group for the assignment. If there is just one participant from an organization, he/she should work on his/her own. Hand out the Assignment Sheet (1.4). Ask them to identify the various determinants, core elements and type of the design of the structure of their organization with examples. Ask them also to assess how the structure is designed and operating in terms of the basic variables of the design of an effective structure. Stress that the discussion should focus on: the issue of alignment of the structural elements with the design determinants and the appropriateness of the various structural elements, including types, in view of the nature and goals of the organization.

Note

This assignment may take more time than it is possible to give, and the groups may not fully complete it within the given time. State that it is okay if they can come up with a couple of examples. However, let them share some of their findings and comments in the plenary with limited discussions. Encourage them to continue to work on them even beyond the session. Encourage the groups to retain their outputs that describe their organization as a system. Advise them to share the findings with their colleagues in their own organizations and revise and refine the analysis with more inputs from them.

Conclude the activity with summary of key learning points. Assess the learning of participants by asking questions randomly about the key contents covered.



Time out



Materials

- Chart papers, markers, flipchart board, white board, overhead projector and transparencies of visuals.
- Copies of handouts for each participant.
- Copies of case exercise and assignment sheet for each participant.



Handouts

- Handout I.4: Designing Organizational Structure
- Exercise Sheet I.4: *Dalit Bikas Sanstha*
- Assignment I.4: Understanding Own Organization as a System

DESIGNING ORGANIZATIONAL STRUCTURE

As stated in the introduction to organization (Handout 1.1a), the most important defining element of an organization is the design of a framework for coordinating the efforts of people to work collectively towards the shared goals. Without such an arrangement for coordinating efforts, an organization is reduced to simply a group of people with common interests. Such a framework or arrangement in an organization is known as its structure. Structure is one of the core elements of an organization. The way it is designed and used has a major influence on the effectiveness and performance of organizations.

Nature of Organizational Structure

The most visible manifestation of organizational structure is organization chart, also known as organogram. For many people, organizational structure means organization chart. Organization chart provides information about how activities and people in the organization are grouped and how do they formally connect with each other in terms of authority and communication. This, in essence, is the basic concept of organizational structure.

Organizational structure first of all delineates various activities and functions and defines different roles necessary for achieving organizational goals by grouping them into appropriate clusters. For example, the structure of an NGO may identify fund raising, program planning and monitoring, project implementation, and general administration and accounting as the main functional clusters. Hence, it may organize all the functions into four separate functional units. The structure may also define the policy formulation, organization management, and activities implementation as the main role clusters. It then may identify three levels of organizational roles such as the board for policy making and overall control, management team for organization management, and employees and volunteers for program implementation.

Organizational structure then establishes authority and communication relationships among the various functional and role clusters in order to make the groupings functional. For example, the structure of the same NGO may identify that the board has overall authority to direct and control the organization, part of which it can delegate to the managers. It may also provide for the reporting of the progress of and problems in program implementation to the managers by the employees and to the board by the managers.

The basic purpose of organizational structure is to create a framework for coordinating people, resources and activities to attain the organizational goals more systematically and efficiently. It is possible because structure brings together activities, resources and people in a systematic order.

In this sense, organizational structure is **the formal system of grouping functions and roles as well as establishing authority and communication relationships that controls how people are to coordinate their activities and use resources to achieve the organization's goal.** The structure defines and determines what is to be done in the organization by whom and how the various activities, efforts and resources are to be coordinated to produce the results in a systematic and efficient way. It is a map of how the organization's activities and processes are arranged and

linked to one another.

Without some kind of structures, organizations can not operate as a value creation system since everything then will be in disorder. Structure helps organizations in several ways.

- Structure facilitates efficient management of organizations. With a good structure, works can be done quickly and orderly without confusions about who is to do what and who is related to whom in what way. It improves efficiency.
- Structure makes it possible to perform all necessary functions and roles as it maps the functions and roles in advance and allocates responsibility for their performance. Without a sound structure, some functions and roles may not be performed by anyone.
- Structure also avoids overlapping and duplication of works as it clearly identifies functions and roles and properly allocates them to the relevant groups of people.
- Structure facilitates and ensures the adequate flow of necessary communication and information sharing for decision making and task completion as it clearly identifies the channel to be used.
- Structure provides for control and coordination of the efforts of people and directs them towards organizational goals. Without a good structure, coordination and control of activities become difficult to achieve, creating chaos and disorganization.
- Structure helps different people in the organization maintain productive and good relationships as all of them know exactly what is one's responsibility and where do they stand in relation to others.
- Structure creates accountability for all organizational members as it defines what activities and roles individuals or groups in the organization have to perform. Based on this, they can be made accountable for the pre-determined results.
- Structure encourages people to work hard and in a focused way as it defines their roles, responsibilities and authority. This results in improved organizational performance and effectiveness.
- Structure shapes and motivates behaviors as people usually comply with the structures created for their performance. With a good structure organizational members can be motivated to perform better. Change in behaviors can be achieved through change in structures. For example, by creating self-managed team structures, organizational members can be made more active in planning their own and responsible for the results.
- Structure creates a sense of ownership among organizational members as they have a defined place and role in the organization.

Designing Organizational Structure

A more important issue for managers is to find better ways of designing the structure of their organizations. This involves the use of a number of design elements, principles and process as well as the consideration of the determinants of organizational structure.

Design Determinants

Before setting out to design the structure of an organization, various factors that influence the type and nature of the structure should be identified and analyzed. These factors are both within and outside the organization; they determine, individually and in interactions with one another, what kind of structure works best for an organization in a given situation.

The first factor is the **environment** of the organization; both the general environment and the task environment (see Handout 1.1a). Four dimensions of the environment are important here: *complexity*, *dynamism*, *environmental richness*, and *targeted beneficiaries*. If the environment is complex (there are a large number and variety of environmental constituencies or factors the organization has to deal with), a more decentralized structure is necessary. In a simple environment, the centralized structure works equally well. If the organization is dynamic (there are rapid changes in the environment), there will be difficulty in standardizing works and hence a more adaptive and flexible structure is better. In a stable environment, bureaucratic structures may work satisfactorily. If the environment is poor for the organization (in the sense of being hostile, non-supportive and providing little resource to the organization), a centralized authority and decision making process is required for fighting the threats and managing crises. In a generous environment, the decentralized structure works better. Lastly, if the targeted beneficiaries are diverse, more decentralized and project or service-based structures will be better. With a single target, a centralized and function-based structure is preferable.

Another determinant is the **technical system** the organization is operating with. Technical system is the combination of skills, knowledge, abilities, techniques, materials, machines and mode of operations that people use to convert inputs into valuable goods and services. If the technical system is high on *regulation* (highly standardised work methods and processes), a more mechanistic and less flexible structure will serve the purpose. However, if the system is low on regulation, a flexible and adaptive structure will be required. Similarly, the *complexity* or sophistication of the technical system demands for significant professional support staff and elaborated and decentralised structure.

The **organizational life cycle** (stages of growth, development, and capacity) also influences the nature of structure. As a matter of fact, organizations' structures evolve over time. At the start-up or entrepreneurial stage, it needs a flexible structure and centralized control. As the organization ages (becomes older) and grows in size, it often develops more standardised, formalised, differentiated, elaborated bureaucratic structures to manage growth and to utilize organizational experiences. At the maturing stage of growth, an organization usually has a number of structural options. The declining stage requires downsizing the structure.

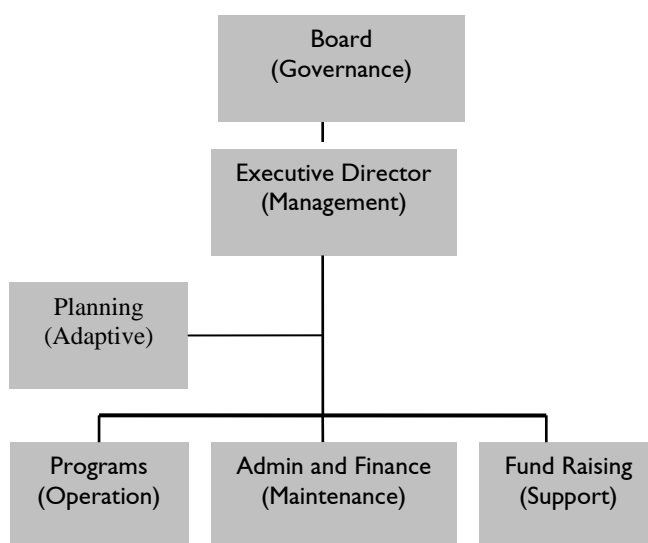
The nature of the **goals and strategies** an organization pursues has direct impact on its structure. Multiple goals or goal diversity demands more differentiation and elaborated structure with strong coordination and control mechanisms. The prospector strategy (expansion and development) can be achieved through flexible and decentralised structures whereas the defender strategy (retention of the existing position) is accompanied by bureaucratic structure, high horizontal differentiation, and centralised control.

The structure of an organization must fit in with the nature of these determinants in order for it to be functional.

Differentiation and Integration

The next core element of structural design is the decision regarding the degree of differentiation and integration within the organization. Differentiation is the process of identifying functions and roles necessary to achieve goals, grouping them into units and levels, allocating people and resources to the units and levels, and establishing task and authority relationships between them. This is the principle of division of labour or specialisation, which is necessary for achieving goals efficiently in the organization. As a matter of fact, the process of structure design starts with making differentiation or division of labour decisions.

Fig. 1: Function-based Structure



The major elements of differentiation are the *functions* (a set of tasks to be performed by people to achieve the organization's goals); the *roles* (a set of task related behaviours required of people in their positions); and *units* (a group of tasks or functions requiring similar skills and knowledge). Usually, all organizations require five general types of functions: *operation* (which is directly related to the conversion process to create value – e.g. programmes or projects); *support* (which facilitates control of relations with environment and

stakeholders – e.g. resource acquisition, fund raising, public relation); *maintenance* (which enables to keep subunits in operation – e.g. administration, personnel, and logistics services); *adaptive* (which allows to adjust to changes in the environment – e.g. information management, planning, research and development, training); and *governance and managerial* (which facilitates control and coordination of activities – e.g. policy making, strategies formulation, overall control). All these functions should be planned and allocated to units of people possessing the required skills and experience. An example of the unit structure is given in Fig. 1.

Similarly, there are various organizational roles which should be provided for while designing structure: policy and leadership, managerial and coordination, support/ supervision, professional/ technical, and operations/ implementation. Along with the functional structures (units), the role structure (positions) should be created. An example of the role structure is given in Fig. 2.

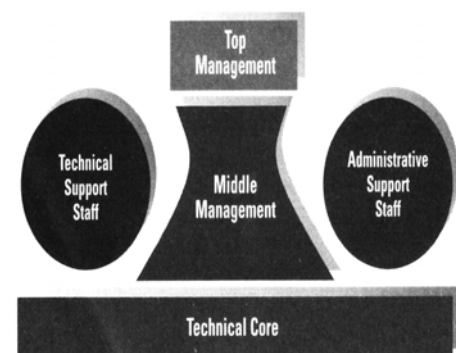


Fig. 2: Role-based

If the goals and strategies of a particular organization require a large number of tasks or activities and several important roles to be performed, then there will be greater differentiation or elaborated structure with many functional units and hierarchical positions. Differentiation can take two forms: *horizontal differentiation* (departmentalization) and *vertical differentiation* (hierarchy). Horizontal differentiation is the way an organisation groups organisational tasks into roles and roles into subunits (functions and divisions). Fig.1 is its example. Vertical differentiation is the way an organisation designs its hierarchy of authority and creates reporting relationships to link organisational roles and subunits. Fig. 2 is its example. Choosing the levels of vertical and horizontal differentiation is a crucial decision in designing structure that allows controlling activities to achieve goals. Horizontal differentiation leads to flat structure, specialisation, but limited communication, coordination and learning. Vertical differentiation, on the other hand, results in tall structure, authority centralisation, buck passing, decision delays, and high control.

When the organization is differentiated, it creates problems of coordination, control and communication, and hence it needs to provide for mechanisms for integration. Integration is the process of coordinating various tasks, functions and divisions so that they work together and not at cross purposes. Some main integration mechanisms include: hierarchy of authority, direct contact, liaison role, task force, team, a special integrating role, and an integrating department.

In designing structure, first the level of differentiation should be decided, which then needs to be supported by creating mechanisms for integrating them. For the structure to be effective, it is necessary to establish a level of integration that matches the level of differentiation: they should be balanced. A highly complex (differentiated) organisation needs a high level of integration.

Centralization and Decentralization

After deciding on the level of differentiation and integration, the next task in designing structure is to agree on the degree of centralization and decentralization. Centralisation is an organisational setup whereby the authority to make important decisions is retained by managers at the top of the hierarchy. Decentralisation is an organisational setup whereby the authority to make important decisions about organisational resources and to initiate new activities is delegated to managers at all levels in the hierarchy.

Centralisation results in better coordination and focus on primary goals but overloaded top managers bogged down in routine issues giving little time to strategic decision making. Decentralisation promotes flexibility and responsiveness, on-the-spot decisions, skills development but problem with planning, coordination, control. The design of the structure should balance between the two, taking into consideration the level of differentiation and integration as well as the nature of the core design determinants.

Standardization and Mutual Adjustment

Another key element of structural design is the decision regarding the degree of standardization and

mutual adjustment. Standardization is conformity to specific models or examples – defined by sets of rules and norms – that are considered proper in a given situation. If the structure is based on this principle, the organization develops and enforces standard operating procedures and all the individuals and units need to follow them while carrying out their activities. It results in predictable actions and facilitates control and coordination, but it prevents innovation while promoting inflexibility in organizations.

Mutual adjustment allows people to use their judgement rather than standardised rules to address a problem. It promotes flexibility and innovation but difficulties may arise in coordination and control of actions. The design of the structure should strike a balance between the two. It should find a way of using rules and norms to standardise behaviour while at the same time allowing for mutual adjustment to provide opportunity to discover better ways of achieving goals.

Formal and Informal Relationships

In every structure, organizational relationships should be clearly defined. There are at least two tools for ensuring this outcome: job descriptions and illustrated organization structure. Linkages and interactions among the various levels within an organization are critical to the processes of planning, decision-making, and implementation. They may also determine other activities such as what is evaluated and how resources are allocated and shared.

Examples of Formal Relationships	Examples of Informal Relationships
<ul style="list-style-type: none"> • Supervisory • Channels of communication (e.g., mandated by organizational policies, levels of authority, etc.) • Levels of authority • Reporting lines • Functional responsibilities (for individuals or units as described by job descriptions or the organizational structure) • Unit responsibilities (as outlined by the organizational structure) • Fiduciary responsibilities (those mandated by law, such as the relationship of trustees to the organization) • Management systems (oversight mandated by systems guidelines, protocol, Standards of Practices, etc.) 	<ul style="list-style-type: none"> • Coordination • Channels of communication (routine or habitual sharing of information, exchanges of lessons learned, joint supervision or other team work) • Advisory committees • Peer review • Stakeholders (although sometimes, these relationships can be formalized through Memoranda of Understanding or other documents) • Coalitions (Although these generally involve allies not in the organizational structure, they can affect working relationships.)

Both formal and informal relationships are important for achieving organization goals. A good manager is able to distinguish between the two and monitor both to ensure that the organization's staff and volunteers are working together effectively. A good manager also reinforces good relationships and intervenes to improve deteriorating relationships at all levels.

The process of designing organizational structure should thus be guided by the consideration of the main design determinants and the decisions on the core structural elements as outlined above. The basic challenge in designing structure is aligning it with the external and internal environmental factors and finding a proper balance between the levels differentiation and integration, centralization and decentralization, standardization and mutual adjustment, and formal and informal relationships. In any case, a structure can never be static; it evolves over time through the process of adjustments, which must be done on a regular basis.

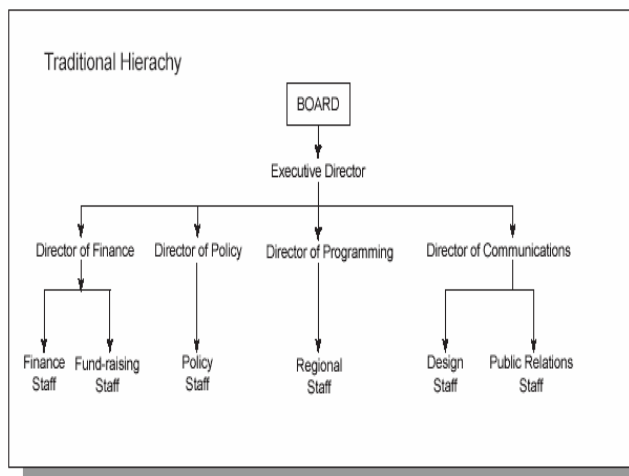
Options for the Design of Organization Structure

The final task in designing structure is to bring together all the elements outlined above and map the framework for operating the organization by properly aligning them. Although the final shape of the

structure for each organization tends to be unique in view of the different influences of design determinants and various kinds of decision regarding structural elements, there are broad options to choose from: mechanistic structure and organic structure.

Mechanistic structure

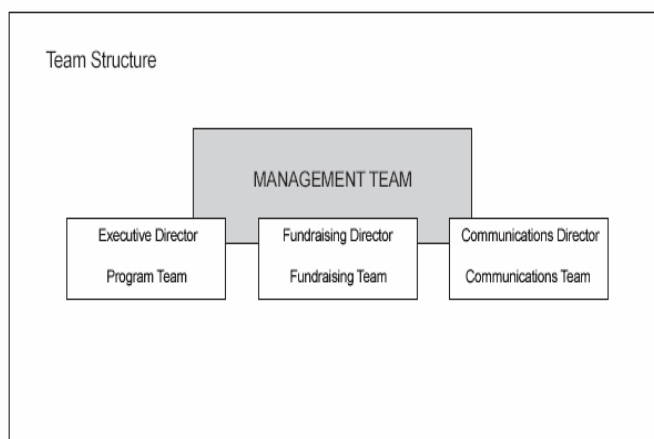
This structure is designed to induce people to behave in predictable and accountable ways. It is the result of such structural choices as individual specialisation (individual works, clearly defined tasks), simple integrating mechanisms (hierarchy of authority clearly defined, and used as an integrating point), centralisation (of authority to control, vertical communication), standardisation (extensive use of SOPs to coordinate tasks, predictable work processes), and status conscious informal organisation.



One example of mechanistic structure is traditional *hierarchical and functional structure*. In fact, most organizations are hierarchical. Such organizations are distinguished by several features: relatively few managers control the organization from the top; units are organized on the basis of various functions; few units or staffs are under each manager's control; managers are in control of the full range of management functions; management style is likely to be "directive." The organizational structure resembles a pyramid.

Organic structure

It is designed to promote flexibility, initiatives and adaptability to changes. It is the result of the such structural choices as joint specialisation (group works, clearly defined tasks); complex integrating mechanisms (task forces and teams); decentralisation (of authority to control, lateral communication); mutual adjustment (extensive use of face to face contacts to coordinate tasks, relatively unpredictable work processes); and expertise conscious informal organisation.



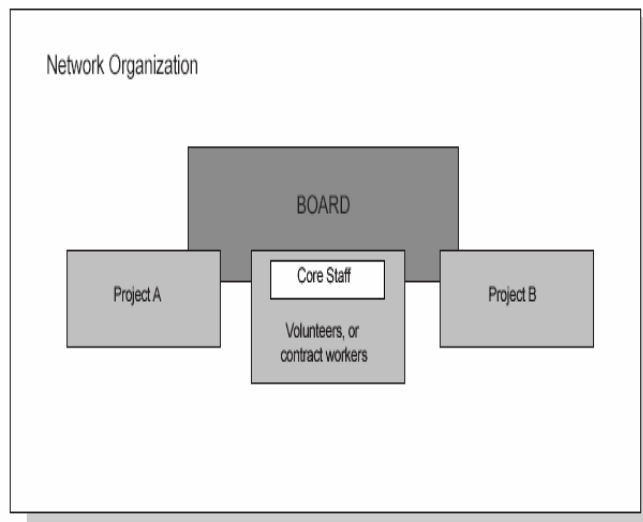
Two examples of organic structure are team structure and network structure. A *team structure* differs from hierarchical structures in several ways. A team structure attempts to link the formal and informal group relations that influence a worker. This type of organization emphasizes interpersonal relations as a determinant of conduct and performance. Some of the features of this type of organizational structure

include: managers serve more as facilitators and group leaders than final decision-makers; they have primary responsibility for setting objectives and evaluating performance; work styles are more participatory and interactive; focus is on accomplishment of shared objectives, and accountability to the team; and use of temporary teams or task forces to deal with particular issues or cross-cutting initiatives.

A network structure is the one in which independent or semi-independent organizations form loose affiliations in which they share resources, information, and data, and responsibility for joint projects. An example of this kind of cost-effective organization could be an alliance in which organizations working on different aspects of community development and well-being (e.g., sanitation, health, adolescent programs, and women's empowerment) join together as an umbrella organization and hire a senior program manager, and share office space and material resources.

There are many variations on network structures, ranging from totally independent groups coming together for a common cause to affiliates of international

organizations (e.g., the Red Cross) that share the same principles and approaches to work. Even with these differences, network structures share common features including: considerable autonomy among its functional and programming units; a small core infrastructure that provides certain services needed by all; highly responsive and fluid approaches; flexible coordination approaches among component organizations as needed; and decision-making occurring within the context of the strategic alliance among the partners.



DALIT BIKAS SANSTHA

Dalit Bikas Sanstha (DBS) was registered in the office of District Administration in 1996. Its mission is:

"To work for the abolition of the discriminated society leading to the inclusion of the *Dalits* in the political framework"

Its goals are:

- To abolish the ethnic caste discrimination through awareness and economic empowerment.
- To make *Dalits* communities confident and capable of their strengths to overcome the suppression they are presently experiencing.
- To create pressures to the government for fair distribution of resources among the disadvantaged groups.

The working strategies and approaches it follows are:

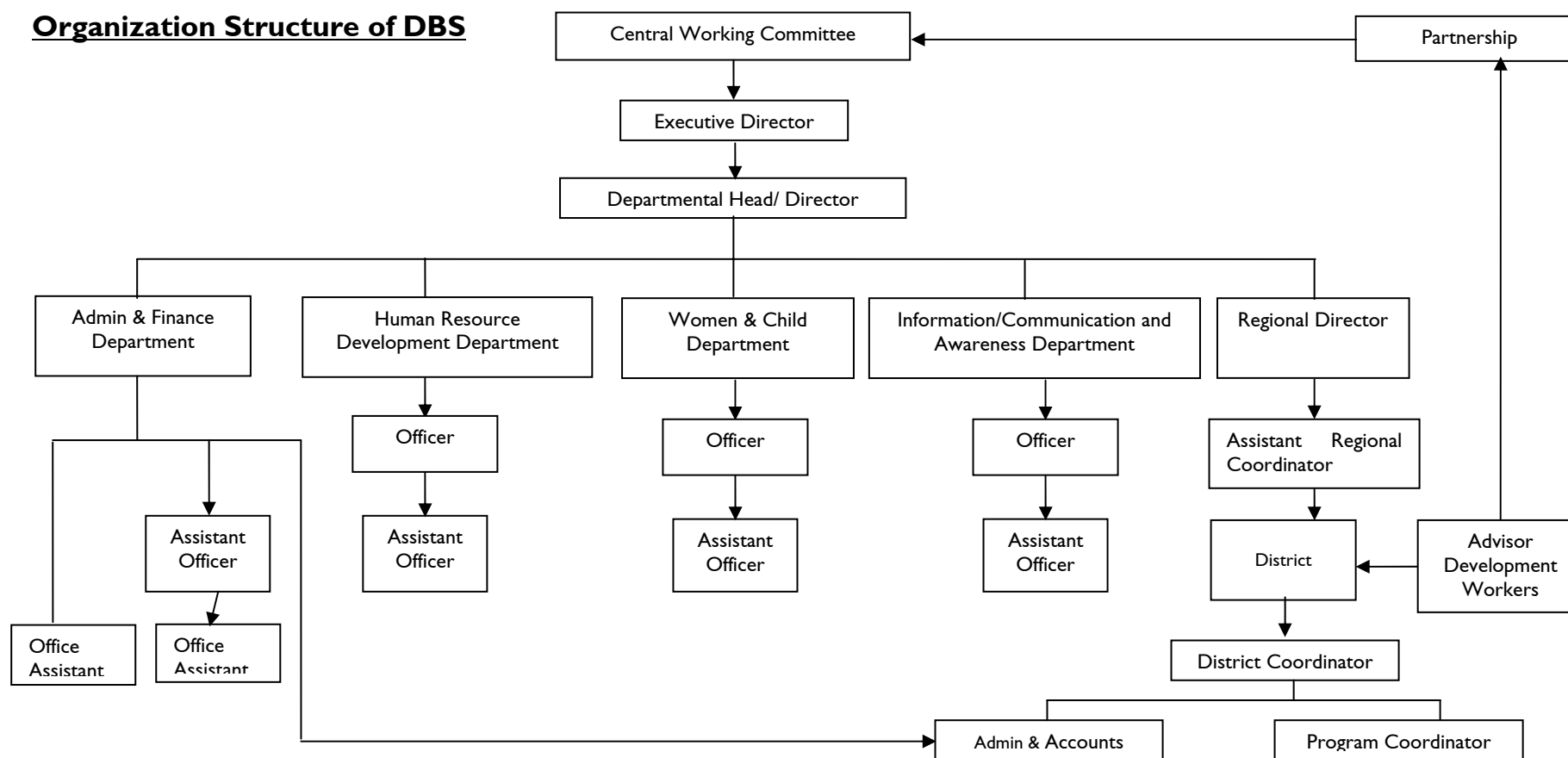
- Advocacy
- Use of print media, electronic media and mass mobilization
- Outlook formation
- Income generation for poverty alleviation
- Participatory approach

The organization structure of DBS is given in the next page.

Tasks

1. Study carefully the given information, including organization structure.
2. Identify the core elements of the organizational structure of DBS (i.e. how its organizational structure is designed).
3. Comment on the design of the structure in relation to the mission, goals and strategies of the organization.
4. Based on your discussion, define what an organizational structure is and list out the purposes it serves.

Organization Structure of DBS



In the assigned groups or individually, identify and describe the various determinants of the design of the structure of your organization as well as the main elements and the type of its organization structure. Also assess how the organization structure is designed and operating.

1. What are the design determinants of your organization's structure? Analyze how they influence its structural elements.
2. How the structure of the organization is designed in terms of the main elements of organizational structure (e.g. differentiation – integration, centralization –decentralization, standardization – mutual adjustment, formal – informal relationships, and type)? Identify each element and describe how they are designed in your organization.
3. How does the existing structure of the organization fit in with the nature and demands of the core design determinants?
4. What are the strengths and weaknesses of the organization structure?
5. How would you redesign the structure of your organization to address the weaknesses and to align it with the design determinants following a systematic process (e.g. identify of the functions and roles necessary to achieve the goals, decide the level of differentiation and integration, and prepare the organization chart, etc.)

..... Introduction

This unit introduces a framework to understand the concept of governance and what makes up the good governance, with specific reference to the nature of an NGO. It lays emphasis on understanding the roles and responsibilities, composition and development of the governing board. It also introduces the constituents of the board and highlights the division of responsibility between the board and management. It presents a framework to evaluate the working of the board. This framework is then used to relate to the core issues of leadership in NGOs in the unit that follows.

..... Learning Objectives

After completion of all the activities and study materials of the unit, participants will be able to:

- Define what governance is in an organizational context and describe the framework of governance;
- Explain the responsibilities, composition, and process of developing a governing board in a non-government organization and adopt those processes to develop their own boards;
- Identify the principal responsibilities and competencies of the board members, officers and committees in a non-government organization and prepare their job descriptions for use in their organizations;
- Describe the roles of the chief executive officer in a non-government organization and identify the division of responsibility between the roles of the board (governance) and the executives (management);
- Evaluate the working of a governing board in an NGO; and
- Assess their organizations in terms of the core governance elements and identify improvement needs to develop them.

..... Structure and Timing

Activity One: Understanding Governance (Two hours)

Activity Two: Understanding and Developing Governing Board (Three hours)

Activity Three: Constituents of Governing Board: Board Members, Officers and Committees (Two hours)

Activity Four: Board and Management: Division of Responsibility (Two hours)

Activity Five: Evaluating the Working of Governing Board (One hour)

Activity Six: Understanding Good Governance and Evaluating Governance in an Organization (Two hours)

UNDERSTANDING GOVERNANCE



Time: Two hours

.....Why do this Activity?

While the diversity of composition of non-profit organization members and Board is one of their greatest strengths, it does not guarantee that the organizations they are responsible for will be governed well. Ensuring "good" governance requires a sound understanding of governance, sustained commitment and ongoing self-assessment of Board performance by all members, particularly in terms of their knowledge of the organization, success in providing a vision and strategy, and effectiveness in offering ongoing guidance and oversight. Equipped with such understanding, we can develop organizations to make them even more useful for the society. This activity helps us build an understanding of governance within an organization.

.....Learning Objective

- Describe what governance is and explain the framework of governance in an organization.

.....How to do the Activity?

Note

Make all necessary preparations before the start of the activity. Open up the activity following the general guidelines for facilitators.

Step 1: 60 minutes

Group exercise

Divide participants into mixed groups of 3-4 persons each. Give them Assignment Sheet 2.1. Ask each group to define each component of the framework – **Rules, Relationships, and Systems/ Processes** – by discussing a list of specific governance elements that could be included under each with respect to an organization. Ask them to identify in the groups the similarities and differences between their organizations with respect to the elements in the framework. Ask each group to discuss and note why each of these elements is important and how do they impact an organization.

Plenary

Assemble the groups. Have each group present their findings taking their turn. Discuss the

- What do they understand by the word governance? How are these components related to governance in organizations?

Showing visuals, explain the concept of governance in the context of an organization.

Note

While facilitating discussions on the concept of governance, use selectively the information given in the handout. Stress on the concept of governance as the framework of rules, relationships, systems and processes within and by which a person or a group, who occupies a position of special trust and confidence, run and control in organizations. Display the agreed "working definition" and framework of governance in an organization on the wall for the remainder of the workshop.

Step 2: 60 minutes

Group exercise

Ask participants from the same organization to form a group for the assignment. If there is just one participant from an organization, he/she should work on his/her own. Ask each group to discuss and list governance elements which they feel need to be there within each component of the Assignment Sheet 2.1 for the organization. Ask each group to discuss and take note based on following issues:

- What are the required elements under the components in the framework and what are the existing ones in the organization?
- How these elements are working within the organization? How are they impacting or would impact the organization?
- Who ensures that the required elements under the components in the framework are there in the organization or who should be responsible?
- How the people responsible to “govern” the organization do so?

Plenary

Assemble the groups. Have each group present their findings taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each others findings.

Using the findings generated, develop a joint “understanding” of what do they mean by governance with respect to their organizations and why it is important.

understanding. Try to draw the discussion to a conclusion as per the framework used here. If there is still disagreement, explain that there are many ways one can define “governance” – a joint “working definition” is only needed for common understanding during the workshop.

Conclude the activity with summary of key learning points. Assess the learning of participants by asking questions randomly about the key contents covered.



Time out



Materials

- Chart papers, markers, flipchart board, white board, overhead projector and transparencies of visuals.
- Copies of handouts for each participant.
- Copies of assignment sheet for each participant.



Handouts

- Handout 2.1: Understanding Governance
- Assignment 2.1: Framework for Understanding Governance

Governance is a core aspect of managing and developing organizations, whatever their nature and mission. Good governance is essential for an organization to be successful. Good governance is a partner with strong management in providing leadership to an organization for the achievement of its mission.

What is Governance?

Organizations do exist and operate within a broader framework of policies, rules, processes, and authorities as well as the systems and structures that enact and enforce them. They are the governing variables of an organization that direct and control the way the organization goes about accomplishing its goals. The way these governing variables are designed, operate, and influence the functions of an organization is its governance. For example, the constitution of an NGO, its decision making bodies (like board) created under the constitution, the policies the board formulates (such as membership, fund raising or financial policy), the executive leadership responsible for directing and controlling the organization and its performance, and the organizational performance monitoring processes the leadership has created and is following, all are the parts of its governance.

Governance is what directs and controls an organization as it pursues its goals. It involves **the system and structure by which an organization is directed and controlled**. Governance is **the framework of rules, relationships, systems, and processes within and by which a person or a group, who occupies a position of special trust and confidence, run and control in organizations**. The framework is illustrated in Fig. 1.

Relevant rules include applicable laws of the internal rules of an organization. Relationships include those between all related parties, the most important of which are the owners, managers, directors of the board, regulatory authorities and to a lesser extent employees and the community at large. Systems and processes deal with matters such as delegation of authority, performance measures, reporting requirements, financial procedures and communication processes, and service delivery mechanisms.

The governance structure of an organization spells out the rules and procedures for making decisions on organization's affairs. It also provides the structure through which the organization's objectives are set, as well as the means of attaining and monitoring the performance of those objectives. It refers to the actions of the main decision making body with respect to establishing and monitoring the long-term direction of that organization.

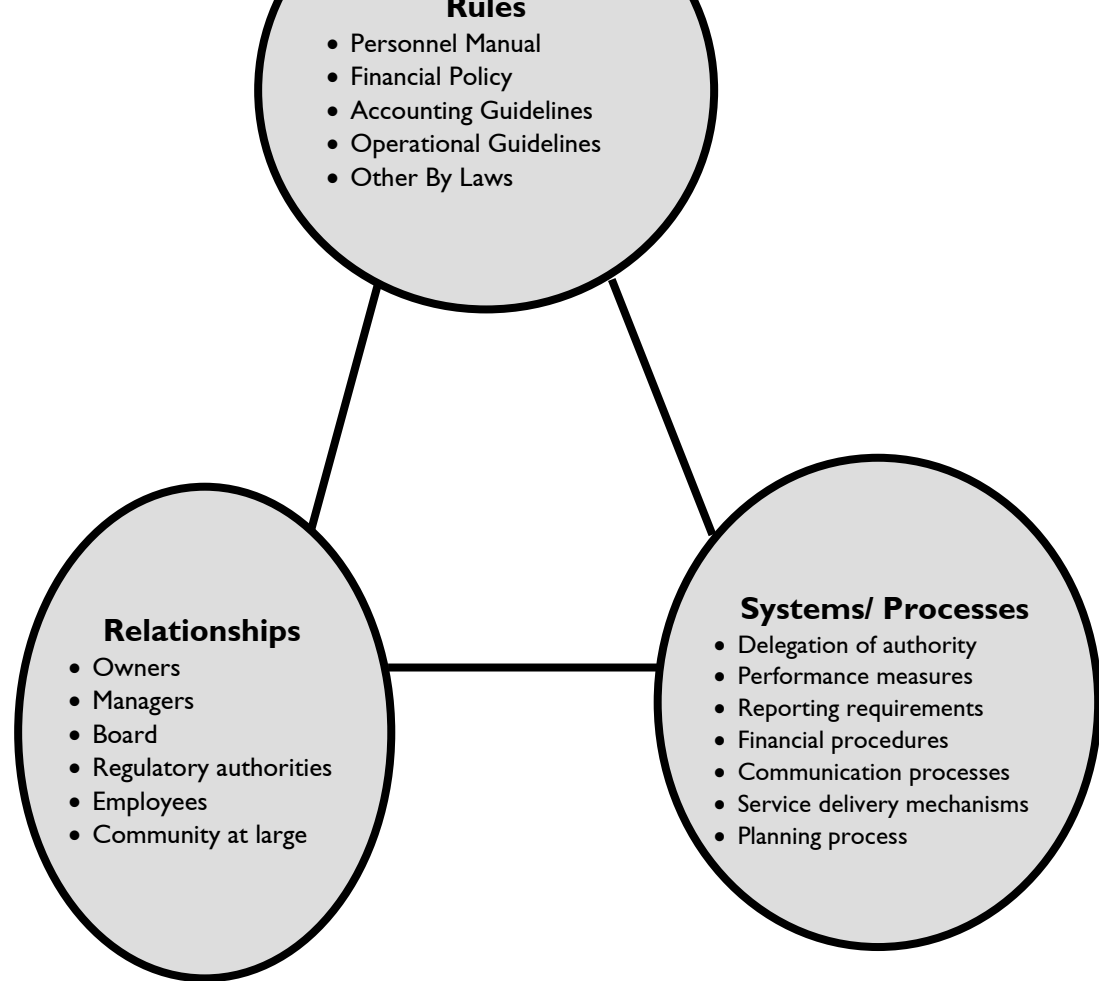


Figure 1: Framework for Governance

Governance is employing people at different levels in an organization's system and get tasks done through the system thus created. This refers to empowering employees and management at different levels of the organization with the authority of decision-making and allowing them a certain extent of power in decision-making. The different levels of people in an organization, starting from the chairman of the Board to the lower level subordinates, have a certain say in the day to day activities as well as decision-making. If the organization has empowered these levels with appropriate amount of decision-making, it assists the organization for development, quality of work, productivity, adaptability and effectiveness. This is a result of the sense of responsibility that develops in individuals through authority delegation and participatory approaches.

Governing Instruments

Those responsible for creating and maintaining supportive conditions for management of an organization

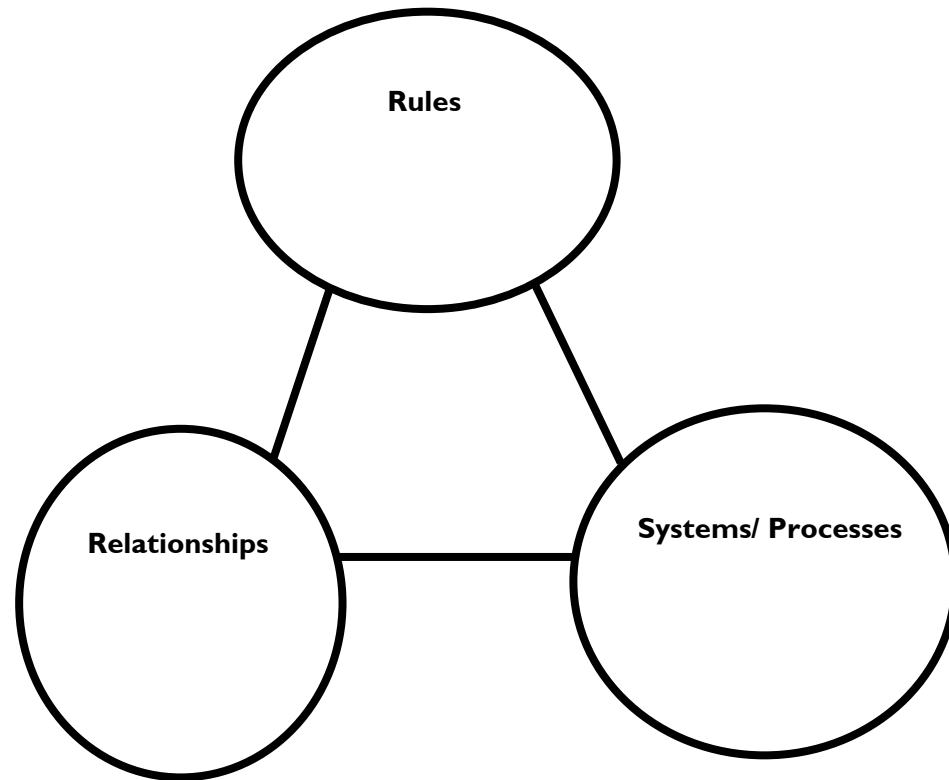
- Provision of occasions to meet, discuss and negotiate over specific issues (e.g. forums, platforms, meeting, events);
- Provision of material or administrative support;
- Various forms of incentives and disincentives;
- Communication of information through several avenues.

Governance Powers

Those responsible for governing hold certain powers that enable them to use these governing instruments. Six key governance powers are:

- **Regulatory and planning powers:** concerning the use of resources.
- **Spending powers:** related to resource management, training programmes, development and maintenance of infrastructure.
- **Revenue-generating powers:** choice of revenue generating powers such as membership fees, service charges, fund-raising channels.
- **The power to enter into agreements:** concerning the sharing or delegation of single and combinations of the three powers above.
- **The power of access to information:** concerning the formal or informal communication of information related to policy planning, decision-making processes, monitoring and evaluation results, etc. This includes the authority to choose the form and the means by which the information is provided.
- **The power of enforcement:** the ability to enforce decisions, rules and regulations.

In the assigned groups or individually, discuss the issues given at the end of this sheet using the following framework of governance.



Issues for Discussion

1. What are the required elements under the components in the framework and what are the existing ones in the organization?
2. How these elements are working within the organization? How are they impacting or would impact the organization?
3. Who ensures that the required elements under the components in the framework are there in the organization or who should be responsible?



Time: Three hours

..... Why do this Activity?

In an NGO, as in many other organizations, the board (of directors or governors) is the principal body that governs the organization. Hence the effective working of this governing body is crucial for the organization to be able to sustain and grow while delivering the intended services to its beneficiaries in the way that is desired and expected in the community. For the board to work effectively, and to give a good system of governance, it is important that the leaders and senior managers of the organization understand the board: What are its roles and responsibilities? How it can be formed and developed in the most effective way? This activity helps us build an understanding of the nature of the board and develop it to work effectively.

..... Learning Objective

- Explain the responsibilities, composition, and process of developing a governing board in a non-government organization and adopt those processes to develop their own boards.

..... How to do the Activity?

Note

Make all necessary preparations before the start of the activity. Open up the activity following the general guidelines for facilitators.

Step I: 80 minutes

Presentation/
discussion

Lead a general discussion on the concept and nature of the governing board in the context of NGOs, emphasizing the governance role of the board.

Group
exercise

Divide participants into mixed groups of 3-4 persons each. Give them Assignment Sheet 2.2(a). Ask them to identify the activities their governing boards carry out in general. Ask them to identify the ideal roles and responsibilities of a board in an NGO and assess their own boards in terms of the performance of those roles and responsibilities.

Plenary

Assemble the groups. Have each group present their findings taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each

group them in broader categories. Display the agreed working understanding of roles and responsibilities of the board on the wall for the remainder of the workshop.

Step 2: 60 minutes

Presentation/ discussion	Lead a general discussion on the ideal composition of governing board in the context of NGOs, emphasizing the competencies and the selection process of board members.
Group exercise	Ask participants from the same organization to form a group for the assignment. If there is just one participant from an organization, he/she should work on his/her own. Give them Assignment Sheet 2.2(b). Ask each group to discuss the composition of their board. Ask them to list the competencies required for the board and the existing selection process of the board members. Ask them also to prepare the competency profile of their board and assess the selection process of board members.
Plenary	<p>Assemble the groups. Have each group present their findings taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each others findings.</p> <p>Summarize the ideal composition, competency requirements, and the selection process of a board in NGOs with the help of visuals.</p>
Note	While facilitating discussions, use selectively the information given in the handout. Display the identified competencies of the boards of various organizations on the wall for the remainder of the workshop.

Step 3: 40 minutes

Handout	Distribute reading material (Handout 2.2) to participants and ask them to quickly browse the last section (Development of Board) as they prepare to do the assignment.
Small group/ individual assignment	Ask participants to work in the same group as in the preceding assignment. Ask them to prepare a development plan for enhancing the effectiveness of their board on the basis of its assessment done in the earlier assignment.
Note	This assignment may take more time than it is possible to give, and the groups may not fully complete it within the given time. Encourage them to continue to work on the plan even beyond the training session as they are very critical to understand the process of developing their board. Encourage them to share the plan with their colleagues in their organization and further refine it. Presentation of this assignment during the session may not be necessary.



Time out



Materials

- Chart papers, markers, flipchart board, white board, overhead projector and transparencies of visuals.
- Copies of handouts for each participant.
- Copies of assignment sheet for each participant.



Handouts

- Handout 2.2: Understanding and Developing Board
- Assignment Sheet 2.2(a): Roles and Responsibilities of Governing Board
- Assignment Sheet 2.2(b): Composition, Competencies and Selection of Board

Concept and Nature of Board

As accepted by both law and tradition, the board is given the responsibility for governance in organizations, including NGOs. The board is comprised of individuals from the community and, ideally, is representative of the organizations clients. Law and theory dictate that the board is in charge, and is directly accountable for the overall direction and policies of the organization. Power is given to the board by the Articles of Incorporation (or other governing document, for example, Articles of Association, Constitution, etc.).

The board can configure the nonprofit in whatever structure it prefers to meet the organization's mission and usually does so via specifications in bye-laws. Members of nonprofit boards are generally motivated by a desire to serve the community and the personal satisfaction of volunteering. Nonprofit board members may not receive monetary compensation for serving on the board.

The board should be distinguished from the staffs and employees in an organization. Their activities should be confined to setting policies and monitoring control through policy level decision-making and not get engaged in day to day organizational activities, hiring staffs and interfere in making detailed programs that can more specifically and precisely done at the staff level.

Roles and Responsibilities of Governing Board

The board in an NGO is the central body that both represents the organization and sets and controls its direction. The roles and responsibilities of the board can be listed as follows:

Organizational Direction and Framework

The board has the responsibility to determine the organization's mission and policies to establish its general direction of operations. It agrees on the mission of the organization, interprets the mission to the public, sets out strategic courses of actions to achieve the mission, and establish goals, long-range plans, and organizational outcomes. It drafts (and amends if necessary) various regulatory documents that set out rules, regulations and procedures (e.g. the constitution, bylaws etc.). It also sets policies and other major guidelines for the operation of the organization.

Fiscal Responsibilities

The board is responsible for establishing fiscal policies and boundaries, such as budgetary preparations, financial controls, and monitoring, controlling, and making changes in the budget throughout the financial year. It protects the organization's financial stability and solvency. It ensures legal, ethical and financial integrity and maintains accountability.

Fund Raising

The board is also responsible to provide adequate resources for the activities of the organization through

The board is responsible for selecting, nurturing and supporting the chief executive officer of the organization as well as assessing his/her performance. If necessary, it should also terminate the appointment of the chief executive. Since an organization's public image relies on the hands of the chief executive, the board should take proper care in hiring the right person with right skills for the position. The board should prudently exercise their responsibility in hiring the correct person and have exclusive rights of firing if the chief executive does not contribute to the betterment of the organization as a whole.

Representation and Communication to Communities

The board needs to develop and maintain the communication link to the community, such as communicating with the community about the organization, its activities and how it serves the community. They should provide publicity and awareness to the community about the organization and its activities. The board is also expected to get feedback from the community for the organization, so as to understand what community thinks of the organization, its actions and the community's expectations, and bring about changes accordingly.

Compliance with Regulatory Provisions

The board must ensure that the provisions of the organization's responsibilities and the law are being followed. Non profit organizations have to follow many rules and regulations in the form of laws by local bodies and government bodies. These may include submission of annual financial statements, listing the organization to local government bodies, etc.

Self Assessment and Development

The last, but not the least, responsibility of the board is to continually assess board needs, develop and broaden the skills of board members, recruit and orient new board members, and assess board performance. Quite often, this responsibility is ignored in many organizations. This leads to the degeneracy in the effectiveness of the board to govern the organization.

These responsibilities should be incorporated in the organization by-laws. All are characteristic of successful governance and all must be pursued with the highest degree of professionalism and dedication. The board must also ensure that its own structure is in compliance with national laws and regulations, and organized to best serve the interests of the organization consistent with the organizational goals.

Composition of Board

While the diversity of nonprofit boards is one of their greatest strengths, it does not guarantee that the organizations they are responsible for will be governed well. Ensuring “good” governance requires a sustained commitment and ongoing self-assessment of board performance by all members, particularly in terms of their knowledge of the organization, success in providing a vision and strategy, and effectiveness in

legal matters facing the organization

- Are capable of handling fiscal matters: The board makes fiscal policies and financial control measures. It is expected to monitor and control financial transactions and performance of the organization. Thus, the board members need to have the capacity to understand and handle financial and accounting issues.
- Are capable of raising funds and contributing funds: One of the prime responsibilities of the board is to ensure that adequate funds are there in the organization to fulfill its goals. Most of the fund raising issues are entrusted on the board. Thus, the board members need to have the capacity to raise funds as well as contribute funds to the organization.
- Can prudently handle personnel management decisions: the board is responsible to hire the chief executive for the organization, which is very important process. Since the chief executive is entrusted with the day-to-day affairs, it is important that the right person is chosen for such a position. Further, any control and management of personnel has to be verified by the board, such as hiring of other key positions as well as taking disciplinary actions. The board members need to understand how to manage people and take decisions.
- Have good public relations: The board is expected to act as a link between the larger community and other stakeholders of the organization. It is also expected to have a capacity to communicate and convince the general society about the organization and develop relations with relevant stakeholders, be it the funding sources, the target groups, the employees and government agencies. In order to do this the board members need to have good communication skills and public relations.

The board must work and act cohesively to make clear decisions and provide effective guidance and independent supervision of management and the activities of the organization. Board members have no individual official standing *per se*; rather, the board acts as a whole to ensure the organization achieves its stated goals. Best practices when establishing or reorganizing governing bodies are:

- Board members should be chosen on merit, background, professional disciplines and skills to suit strategic priorities and ensure organizational performance. In addition to prior experience on non-profit boards, key skills commonly needed include expertise in programs, resource generation, strategic planning, financial management, communications, media and marketing, personnel, legal and political influence or ability to access key resources.
- The board should be comprised of people who understand the needs and views of all stakeholders (clients, supporters, members, partners, etc.). No single stakeholder group should dominate the board. Moreover, the board should, as far as practicable, be diversified to the extent the population at large is diversified. Boards consisting only of members who are predominantly of one profession, or one social class or level of wealth, or that fail to include gender balance, are disadvantaged in

Twelve to fifteen is a reasonable number for an upper limit.

- Members, including officers, should be elected for a limited term to ensure reasonable turnover. Continuous service on the board should not exceed eight years. Six years is generally accepted best practice, for example an initial three-year term with the potential for re-election for three additional years, or three two-year terms but then a requirement to rotate off the governing body. Terms of service should overlap to provide for continuity.
- The board should elect or re-elect board officers (board chair/president, committee chairs, treasurer, etc) annually.
- In some countries, chief executive officers serve on the board as well, but it is strongly recommended that the most transparent method of eliminating conflict between management and governance roles is to separate the roles and responsibilities of the chief executive officer and board member. The chief executive officer cannot serve concurrently as an officer of the governing board.
- The board members must be prepared to lead fund-raising efforts and make personal contributions. All board members should give, garner or get off. Give something – money, time, technical or financial or other expertise, etc. Garner resources from others, friends, associates, corporations, foundations or large government bilateral or multilateral donors. If board members can't give or garner, then they should get off the board.
- Independent board members serve in a voluntary capacity with no remuneration. An exception applies where the chief executive officer is also a board member.
- Board members must comply fully with conflict of interest policies, which include avoidance of the potential for such conflicts to arise. Therefore it is inappropriate for a staff member to be a board member. Similarly it is inappropriate for an elected or appointed government official or active political partisan, or a private businessperson who supplies goods or services for profit to the organization to be a member of the governing body.
- There should be a formal and transparent procedure for the election of new members to the board, including a committee that is elected or appointed by the board for the specific purpose of identifying, screening and nominating candidates for election to serve on the board. The committee should also constantly assess the needs and performance of the existing board and then recommend individuals who will add value or recommend appropriate action regarding individuals who no longer serve the best interests of the organization.
- Careful planning is essential before board members are selected, as membership depends on what the organization plans to accomplish and specific skill, contact or expertise needs. Once an analytical

ultimately responsible for its own composition and performance.

Effective boards seek members who demonstrate key personal attributes to serve on the board which, as a group, provides necessary competencies. An ideal skill- or competency-mix of the board looks as follows:

- Not-for profit experience: Prior board experience or senior leadership with not-for-profit organizations.
- Financial expertise: Financial planning, budgeting, monitoring fiscal health, stewardship of assets, risk management.
- Fundraising: Access to donors or other resources (foundations, corporations), willing to cultivate prospective donors and ask for gifts, personal giving.
- Communications and marketing: Experience with media relations, strategic communications, marketing.
- Investment expertise: Planning, monitoring of investment performance, safeguarding and maximizing return on assets.
- Strategic planning: Development and monitoring of strategic plans.
- Program interest: Program experience or interest and expertise in specific program areas.
- Legal expertise: Knowledge of national legal issues pertaining to not-for-profit organizations, legal and regulatory compliance, risk management.
- Business experience: Managing a business, senior management team experience.
- Government: Knowledge of government agencies, policies, resources.
- Personnel experience: Planning and monitoring human resources.

Questions to Guide Board Member Selection

Is the candidate:

- Committed to the mission of the organization?
- Willing to give the time necessary to be an effective board member?
- Able to contribute personal and professional qualities that complement those of other board members?
- Comfortable with the approach and tone of the organization's fundraising efforts?
- Skilled at being a team player?
- Able to contribute financial support consistent with the organization's expectations of board members and with his or her own means and priorities?
- Capable of placing the organization's purposes and interests above self professional and personal

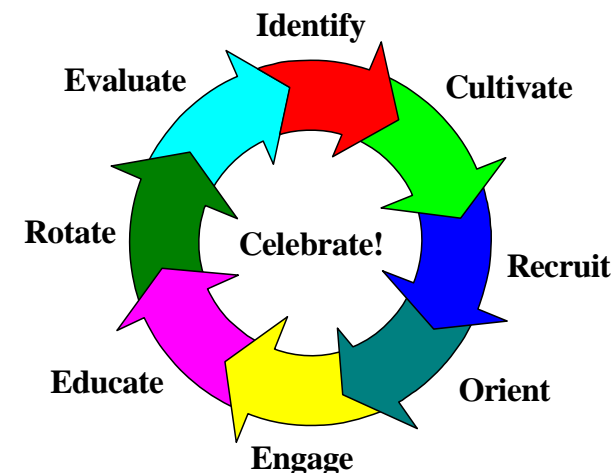
Not-for-profit governance or management experience						
Financial expertise						
Fundraising experience						
Communications and marketing						
Investment expertise						
Strategic planning						
Program experience						
Legal expertise						
Business experience						
Government experience or knowledge						
Personnel experience						
Other						

Development of the Board

For effective governance of an NGO, its board should be strong, competent and committed. This is possible only when efforts are made to build and develop an effective board. Building an effective board is a continuous process. It basically involves the process of selecting right board members, orienting the newly appointed board members, and their continued education and training. A detailed process is shown in Fig. 1.

Developing an effective board is very dependent on the personal attributes, skill sets and performance expectations of individuals selected to serve as well as the competencies and diversity of the board as a group. The Board Development Committee plays a key role in making recommendations to enhance the effectiveness, quality and continuity of the board. Similarly, the Board Assessment process is an important element to aid defining board needs.

Step 1 - Identify: Identify board needs (skills, knowledge, perspective, connections, etc. needed to implement strategic plan). What do we have? What is missing? Identify sources of board members with the needed characteristics.



Step 2 – Cultivate: Cultivate potential board members. Get them interested in the organization and keep them informed of your progress.

Step 3 – Recruit: Recruit prospects. Describe why a prospective member is wanted and needed. Describe expectations and responsibilities of board members, and don't minimize requirements. Invite questions and elicit their interest and preparedness to serve.

Fig. 1: The Board Building Cycle

Step 4 – Orient: Orient new board members to the organization, programs, history, values, governing

Step 6 – Educate: Educate the board. Provide information concerning your mission area. Promote exploration of issues facing the organization. Don't hide difficulties. Celebrate accomplishments.

Step 7 – Rotate: Rotate board members. Establish and use term limits. Do not automatically re-elect for an additional term; consider the board's needs and the board member's performance. Explore advisability of resigning with members who are not active. Develop new leadership.

Step 8 – Evaluate: Evaluate the board and individual board members. Engage the board in assessing its own performance. Identify ways in which to improve. Encourage individual self assessment.

Step 9 - Celebrate: Recognize victories and progress, even small ones. Appreciate individual contribution to the board, to the organization, and to the community.

In the assigned groups, discuss the issues given below and come up with main findings regarding the roles and responsibilities of a governing board in NGOs.

1. Identify the various activities your respective governing boards carry out. Identify both similar and distinctive activities of the boards of different organizations represented in the group.
2. Based on the list of the various activities prepared, identify what roles and responsibilities a board should ideally carry out in an NGO. In working on this task, you may cluster various activities to form broad roles and responsibilities of a board.
3. Assess your own boards in terms of the performance of the ideal roles and responsibilities you have identified. Which of them your boards are performing and how? Which ones are not being performed? How the performance of the full range of board roles and responsibilities can be improved? In working on this task, you may make a general assessment of the boards of all NGOs represented in the group and also assess each board in particular.

In the assigned groups or individually, discuss the issues given below and come up with main findings regarding the composition, selection process and competencies of the governing board in your organization.

1. What is the composition of the governing board in your organization?
2. What is the existing selection process of the board members and officers? How do you assess the process? What needs to be improved? How the process can be improved?
3. What are the competencies (knowledge, skills, abilities, experiences etc) required for the board as a whole? Prepare the required competency profile.
4. What is existing competency profile of the board in your organization? Prepare the existing competency profile or skill-mix of the board by identifying the competencies of the individual board members. Compare the list with the required competencies.
5. What are the gaps in the competencies of the board? How they can be improved?



Time: Two hours

..... Why do this Activity?

The governing board in an NGO works through its constituent parts (e.g. board members, board officers, and committees. It is important that the leaders and senior managers of the organization understand the responsibilities and competencies of these constituent units to make the board fully functioning. This activity helps us build an understanding of the responsibilities and competencies of these constituent units.

..... Learning Objective

- Identify the principal responsibilities and competencies of the board members, officers and committees in a non-government organization and prepare their job descriptions for use in their organizations.

..... How to do the Activity?

Note

Make all necessary preparations before the start of the activity. Open up the activity following the general guidelines for facilitators.

Step I: 80 minutes

Presentation/ discussion	Lead a general discussion on the responsibilities and competencies of board officers (chair and treasurer), board members and various committees.
Handout	Distribute reading materials (Handouts 2.3a and 2.3b) to participants and ask them to quickly browse them as they prepare to do the assignment.
Group exercise	Divide participants into mixed groups of 3-4 persons each. Ask each group to prepare job descriptions of one of the constituent part of the board on the basis of the model job descriptions given in the reading materials and the needs of their organizations.
Plenary	Assemble the groups. Have each group present their findings taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each others findings.

Step 2: 40 minutes

Group exercise	Ask participants from the same organization to form a group for the assignment. If there is just one participant from an organization, he/she should work on his/her own. Give them Assignment Sheet 2.3. Ask each group to assess the working scope and effectiveness of the various constituents of the board in their own organization against the benchmark job descriptions they have prepared.
Plenary	<p>Assemble the groups. Have each group present their findings taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each others findings.</p> <p>Conclude the activity with summary of key learning points. Assess the learning of participants by asking questions randomly about the key contents covered.</p>



Time out



Materials

- Chart papers, markers, flipchart board, white board, overhead projector and transparencies of visuals.
- Copies of handouts for each participant.
- Copies of assignment sheet for each participant.



Handouts

- Handout 2.3(a): Members and Officers in Governing Board
- Handout 2.3(b): Committees in Governing Board
- Assignment Sheet 2.3: Assessment of Working Scope and Effectiveness of Board Constituents

The governing board of an NGO consists of several members, some of whom serve as board officers. All of them have specific responsibilities as members with the office bearers having additional responsibilities. Usually their responsibilities are specified in the constitution of the organization itself.

Board Chair

A board chair's role is central to coordinating the work of the board, executive director and committees. The chair's role may have appointive power for committees, depending on what is specified about this role in the bylaws. The power of the board chair is usually through persuasion and general leadership. The responsibilities of the chair of the board include:

- Serve as the chief volunteer of the organization.
- Become a partner with the chief executive in achieving the organization's mission.
- Provide leadership to the board, who sets policy and to whom the chief executive is accountable.
- Chair meetings of the board after developing the agenda with the chief executive.
- Encourage board's role in strategic planning.
- Appoint the chairpersons of committees, in consultation with other board members.
- Serve *ex officio* as a member of committees and attend their meetings when invited.
- Discuss issues confronting the organization with the chief executive.
- Help, guide and mediate board actions with respect to organizational priorities and governance concerns.
- Review with the chief executive any issues of concern to the board.
- Monitor financial planning and financial reports.
- Play a leading role in fundraising activities.
- Evaluate the performance of the chief executive, the effectiveness of the board members, and also the performance the organization in achieving its mission.
- Perform other responsibilities assigned by the board.

The model job descriptions of the chair, other board officers and members are given in the following pages.

Model Job Description of the Chair of the Board

Purpose

Lead the board in ensuring that it is fulfilling its responsibility for the governance and strategic direction of the organization; ensure that there is an effective relationship between the board members and

- Ensure that the board is constituted and operates in a manner consistent with the constitution and bye-laws of the organization.
- Chair meetings of the board in a focused and effective way, seeing that it functions effectively and carries out its statutory duties.
- Ensure that the business of meetings is dealt with professionally, that decisions are clearly arrived at and recorded and their implementation monitored.
- Ensure that the board set overall strategy and policy objectives and that, in doing so, has the needs of the whole association as its overriding concern.
- Ensure that the association's financial dealings are prudently and systematically accounted for, audited and publicly available.
- Participate in fundraising events and give an annual financial contribution to the best of personal ability.
- Carry out the responsibilities of office in accordance with applicable bye-laws and statutory requirements for non-profit organizations.
- Ensure that replacement board members are elected in good time, with due regard to the balance of skills required on the board, and that an effective induction and development program is in place.

2. **Ensure that there is an effective relationship between board members and staff/volunteers:**

- Preside over board meetings and attend meetings of staff, volunteers and supporters as appropriate.
- Ensure that appropriate procedures to comply with current employment and equal opportunities legislation and good practice are established.
- Ensure that there are effective mechanisms in place for monitoring the implementation of the decisions made by the board.
- With the chief executive officer, agree an annual calendar of meetings and major events for the association.
- Ensure appropriate communication systems are in place between board members and staff to satisfy the board's need to be aware of internal and external issues affecting the operation of the organization.
- Maintain knowledge of the organization's activities and progress against objectives in order to be able to ensure that relevant discussions occur at the board level and decisions are taken. In this context, make visits from time to time to see the organization's program work

plans, to be implemented through annual activity plans.

- Support the chief executive officer in setting and achieving his/her own annual strategic objectives.
- Ensure, with the chief executive officer, that appropriate goals are set with the resources (personnel, financial, material) available.

Competencies

- Demonstrable commitment to the values, principles and aims of the organization.
- A good understanding of the organization's work.
- A strong understanding of the management needs of a non-profit organization, acquired through significant experience in an executive capacity within the corporate and/or NGO sectors.
- The ability to attract wider support across political boundaries.
- The ability to project the organization's vision for children and young people in a way which actively motivates and guides board members, staff and supporters.
- Highly developed communications and, possibly, marketing skills.
- The ability to support and encourage the chief executive officer and to maintain the close working relationship between board members, the staff and supporters.
- Experience of financial planning.
- Highly developed problem-solving skills, and the ability to maintain a positive and constructive approach to ensure that progress is made.
- Sufficient control of personal time to prepare for and participate in meetings and other activities, to represent the organization externally and to meet with the chief executive officer, staff and supporters on a regular basis.

Model Job Description of the Treasurer

Purpose

Assist the board in fulfilling its responsibility to protect the financial integrity of the organization, advise and assist the chief executive officer so that the organization acts in a fiscally responsible way, and support the board in ensuring that the organization remains financially positioned to deliver on its objectives and that the strategic direction can be supported by its financial resources.

audited and publicly available.

- Work closely with the chair.
- Act as a member on the Audit Committee, if there is one.
- Consult with the chief executive officer on financial assumptions underlying planning and budget documents, and advise the chief executive officer and the board on accounting, budgetary and other financial matters.
- Make financial recommendations to the board as appropriate.
- Give support and guidance on financial matters to board members, particularly when they are new to their duties, or when they are making difficult decisions concerning the organization's finances.
- Participate in fundraising events and give an annual financial contribution to the best of personal ability.
- Carry out the responsibilities of office in accordance with the bye-laws and statutory requirements for non-profit organizations.

2. **Work closely with and provide support and guidance to the chief executive officer and the finance manager/ account officer to ensure that:**

- Financial planning processes are maintained and developed and, with the chief executive officer, that available financial resources are appropriate to the goals of the organization;
- The board receives all necessary accurate advice on the financial implications of strategic plans and initiatives;
- The board is presented with budget statements, accounts and financial information at all key points in the planning and budget cycle, and the key issues in these statements are outlined in a coherent and easily understandable way;
- Standing financial instructions are implemented throughout the organization;
- Proper procedures for preparing, auditing and presenting the annual reports are followed;
- Recommendations by the external auditors are implemented;
- Financial investments are consistent with the aims and objectives of Save the Children and investment activity is monitored; and
- Appropriate accounting procedures and controls are in place throughout the organization.

- A strong understanding of the financial needs of a non-profit organization, acquired through experience in an executive capacity within the corporate and/or NGO sectors.
- Knowledge of law and practice regarding financial management, accounting and reporting.
- Strong diplomatic and interpersonal skills.
- Ability to support and mentor the chief executive officer and finance manager/ account officer on all aspects of financial management.

Model Job Description of a Board Member

Purpose

Take part in formulating and regularly reviewing the strategic aims of the organization; ensure that the policy and practices of the organization are in keeping with its aims; ensure the organization functions within the legal requirements of a charitable organization and strives to achieve best practice; and ensure that the organization is operated in a financially responsible way, that it has the financial means achieve its operational goals, and that it remains always ready to meet its debts as they fall due.

Responsibility Areas and Duties

1. **Take part in formulating and regularly reviewing the strategic aims of the organization:**
 - Serve the organization as a whole and participate as an active member of the board to bring independent judgment to bear on issues of governance, strategy, performance, resources and standards of conduct.
 - Regularly attend and participate in board and committee meetings.
 - Contribute specific skills and accept one or more committee or special task force assignments.
 - Support fundraising events and give an annual financial contribution to the best of personal ability.
2. **Ensure policies are in keeping with the aims and objectives of the organization:**
 - Abide by the approved bye laws and other agreements endorsed by the organization.
 - Support the organization's policies and board decisions.
 - Stay informed about the issues facing the organization.
 - Contribute personal experience and expertise to advance the interests of the organization.

Competencies

- Demonstrable commitment to the values, principles and aims of the organization.
- Proven expertise in disciplines needed and appropriate for service on the board.
- Strong diplomatic and, interpersonal skills.
- Organizational and analytical skills.
- Ability to commit time and energy to fulfill board and Committee obligations.

When an organization reaches a certain size and it is very difficult for the board to decide upon all the above mentioned topics/issues, the board may decide to have a structure of a number of committees to handle the various issues. Typically, the board chooses to carry out its operations using a variety of board committees. A committee is formed to handle various issues that require frequent attentions and the board may not have time to handle the entire matters timely. For example, if an organization frequently faces problems with issues related to fund raising and fund management, it can have a separate sub-committee for fund raising. Similarly, an organization can have recruitment committee to decide on recruitment needs of the organization.

For ongoing, major activities, it may be necessary to establish standing committees. Standing committees should be included in the by-laws. For short-term activities, it would be advisable to establish ad hoc committees that cease when the activities are completed.

The responsibilities and mode of operations of the sub-committees are as follows;

- Committees recommend policy for approval by the entire board.
- Committees make full use of board members' expertise, time and commitment, and ensure diversity of opinions on the board.
- They do not supplant responsibility of each board member; they operate at the board level and not the staff level.
- Committees may meet monthly (this is typical to new organizations, with working boards), every two months, or every three months; if meetings are not held monthly, attempt to have committees meet during the months between full board meetings.
- Minutes should be recorded for all board meetings and for the executive committee meetings if the bylaws indicate the executive committee can make decisions in place of the board when needed.

The following principles should guide the establishment and functioning of sub-committees.

- Ensure the committee has a specific charge or set of tasks to address, and ensure board members understand the committee's charge.
- Have at least two board members on each committee, preferably three. Don't have a member on more than two committees.
- In each board meeting, have each committee chair report the committee's work since the past board meeting.
- Consider having non-board volunteers as members of the committee Consider having a relevant staff member as a member of the committee as well.
- Committee chairs are often appointed by the board chair; consider asking committees members for a volunteer for committee chair.
- If committee work is regularly effective and the executive committee has a strong relationship with the chief executive, consider having board meetings every other month and committee meetings between the board meetings.
- The chief executive should service *ex officio* to the board and any relevant committees.

committee should focus on the following major areas:

Board Role and Responsibilities

- Lead the board in regularly reviewing and updating its statement of its role and areas of responsibility, and the expectations of individual members.
- Assist the board in periodically updating and clarifying the primary areas of focus for the board.
- Monitor the operation of the separation of the roles of the board and management, and of the chair/president and the Chief Executive Officer.

Board Composition

- Lead in assessing current and anticipated needs for board composition, determining the knowledge, attributes, skills, abilities, influence and access the board will need to consider in order to accomplish its goals.
- Develop a profile of the board as it should evolve over time.
- Identify and present potential board member candidates, and explore with the candidate, his or her interest and availability in serving on the board.
- Nominate individuals to be elected as members of the board
- In cooperation with the board chair/president, meet annually with each member to assess his or her continuing interest in board membership and term of service. Work with each member to identify the appropriate role that he or she might assume on behalf of the organization.

Board Knowledge

- Design and oversee a process of board orientation, including information prior to election as a member, and information needed during the first cycle of board activity for new members.
- Design and implement an ongoing program of informing and educating board members.

Board Effectiveness

- Lead the periodic assessment of the board's performance, and propose, as appropriate, changes in board structure, roles and responsibilities. Matters of board structure might include establishment or discontinuation of committees (including this committee itself), the charter of such committees and their composition.
- Regularly review the board's practices regarding member participation, conflict of interest, confidentiality, and related matters, and suggests improvements as needed.
- Periodically review and update the board's policy guidelines and practices.

Board Leadership

- Take the lead in succession planning matters such as recruitment, preparation for future board leadership, and nomination of members for particular portfolios or committees.

Audit Committee

advice.

The audit committee should comprise no fewer than three appropriately qualified and experienced members appointed by the board from within its own members, or from external sources, for one-, two- or three-year terms. Members must be totally independent of any dealings with the organization other than as board members.

Meetings of the committee should be held as often as the committee deems necessary but no less frequently than twice per year. The chair of the committee should be nominated by the board from time to time. The board chair should not be chair of the committee. The committee may invite such other persons (e.g. the chief executive officer or the auditors) to its meetings as it deems necessary. At least one meeting per year should be held with only members and the auditor present. Committee proceedings should be minuted and the minutes tabled at the next Board meeting.

Responsibilities

- Review the effectiveness of the systems of internal control operated by management.
- Recommend to the board the appointment of auditor, and the scope and terms of the appointment.
- Review draft financial reports with the auditor, the conduct of the audit and any matters arising from the audit, and report to the board on any matters relating to the board's adoption of the report, including its compliance with relevant laws and reporting or accounting standards.
- Review any related-party transactions and report specifically on them to the board.
- Examine reports of the auditor on any matter relating to the committee's charter, and confirm that management's responses to any recommendations made by the auditor are appropriate.
- Review the codes of conduct adopted by management, the processes adopted by management to promulgate such codes, and the extent to which all employees are aware of and committed to them.
- Carry out ad hoc tasks assigned to the committee by the board. Such assignments shall be relevant to the purpose and objectives of the committee.
- Regularly (at least annually) assess the performance of the committee itself using appropriate aids such as feedback from the auditor, and recommend changes to the committee's charter as appropriate.
- Keep the board informed of the committee's activities and findings, and on any matters relating to the purpose and objectives of the committee.

BOARD CONSTITUENTS

In the assigned groups, discuss the issues given below and come up with main findings regarding the working scope and effectiveness of the various constituents of the board in their own organization against the benchmark job descriptions you have prepared.

1. What functions are carried out by the following board constituents in your organization?

Board chair

Board treasurer

Board member

Various board committees

2. How do you compare their current functions with the required functions as identified in the model job descriptions and the job descriptions you have prepared in terms of coverage, adequacy and effectiveness?

3. What are the gaps?

4. What improvements are needed? How they can be improved?

BOARD AND MANAGEMENT: DIVISION OF RESPONSIBILITY



Time: One hour

.....Why do this Activity?

While governance is the main responsibility of board in an NGO, management is run by its executives. Both should work in an integrated way for the organization to operate and develop. For this to happen, there should be a clear understanding of the respective roles and responsibilities between the board and management while recognizing and practicing the division of responsibility. This activity helps us build an understanding of their relationships and division of responsibility.

.....Learning Objective

- Describe the roles of the chief executive officer in a non-government organization and identify the division of responsibility between the roles of the board (governance) and the executives (management).

.....How to do the Activity?

Note

Make all necessary preparations before the start of the activity. Open up the activity following the general guidelines for facilitators.

Step I: 120 minutes

Group
exercise

Divide participants into mixed groups of 3-4 persons each. Give Assignment Sheet 2.4. Ask each group to identify the roles and responsibility of chief executive in an NGO for effective management of the organization. Ask to discuss what should be the division of labor between the board and the chief executive officer and assess how effective is the relationship and division of responsibility in their organizations.

Plenary

Assemble the groups. Have each group present their findings taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each

idea of 'executive board' - a concept of involving the board members in day-to-day management by assigning specific managerial responsibilities. Stress the fact even in case of the executive board, the roles should be differentiated, though one person may take both governing and management roles.

Conclude the activity with summary of key learning points. Assess the learning of participants by asking questions randomly about the key contents covered.



Time out



Materials

- Chart papers, markers, flipchart board, white board, overhead projector and transparencies of visuals.
- Copies of handouts for each participant.
- Copies of assignment sheet for each participant.



Handouts

- Handout 2.4(a): Chief Executive
- Handout 2.4(b): Board and Management: Division of Responsibilities
- Assignment Sheet 2.4: Division of Responsibility between the Board and Management

An effective chief executive officer (CEO) is critical to achievement of any organization's goals. He/she agrees objectives, plans and programs with the board and leads the executive team in their execution, and is the contact point with key stakeholders. A key board responsibility is to select, evaluate, nurture and support the chief executive officer. In turn, the chief executive officer will ensure that the board and each member are provided with the executive support required to perform their roles effectively.

The chief executive officer is directly accountable for the work of the staff and supports the work of the board and its committees. He/she may be a full board member or may attend board and committee meetings on an *ex officio* basis, but must not serve concurrently as an officer of the board.

Appointment of a chief executive officer should be made only after a rigorous, objective and independent selection process, which should take the form of a public recruitment exercise. The process should be supervised by the board itself or by its Board Development Committee, which should specify the job description and employment terms for the position, nominate a selection panel of at least two board members, and engage an appropriate agency to provide the panel with a short-list of candidates. The terms of employment should be clearly stated in a written contract.

Monitoring of the performance of the chief executive officer should be conducted annually by the chair/president or the Board Development Committee. Monitoring should be objectively based on the terms of the employment contract and achievement of the agreed program. Such day to day contact by the chief executive officer with the board that may be necessary should be conducted through the board chair/president. While the chief executive officer should be available to assist individual board members it is important they avoid confusion by attempting to direct the chief executive officer. The division of responsibilities between the chief executive officer /management and the board should be recognized.

General Responsibilities of a Chief Executive

As a Leader

- Advise the board.
- Advocate/ promote organization and stakeholder change related to organization mission.
- Support motivation of employees in organization products/programs and operations.

As a Visionary/ Information Bearer

- Ensure that staff and board have sufficient and up-to-date information.
- Looks to the future for change opportunities.

- Decide or guides courses of action in operations by staff.

As a Manager

- Oversee operations of organization.
- Implement plans.
- Manage human resources of organization.
- Manage financial and physical resources.

As a Board Developer

- Assist in the selection and evaluation of board members.
- Make recommendations, supports Board during orientation and self-evaluation.
- Support board's evaluation of chief executive.

Executing the responsibilities of a governing board requires the clear separation of the roles of governance and management. It is therefore essential to distinguish between the roles of governance and the role of management along the following lines:

- Board and management together determine key strategic priorities.
- Management then develops programs to achieve these priorities. The board approves the programs and monitors management's execution of them.
- There should be a clear definition between the roles of the chair/president of the board and the chief executive officer. The chair/president is responsible for the running of the board and the chief executive officer is responsible for the running of the organization and its business.
- The board should have a formal list of matters specifically reserved to it for decision. Scheduling of board meetings should be such that operational programs involving reserved matters proceed smoothly, normally requiring at least three meetings per year to ensure an adequate level of monitoring.
- The board should determine the information it needs to discharge its duties. The chair/president in consultation with the chief executive officer should assume a leadership role in regulating the timing, nature and quantity of the information to be provided by management.
- There should be a process to monitor the clear division of responsibilities between the board and management.
- If board and management division of responsibilities and decision-making cannot be kept separate, those roles should be divided and the chief executive officer should not be a board member.

There is a high potential for confusion when board members work for the organization on a volunteer basis at the organization's office. This practice should be avoided as far as possible. In addition to confusing the roles of governance and management, there is a potential for interference with the chief executive officer and the resulting confusion among staff about leadership.

MANAGEMENT

In the assigned groups, discuss the issues given below and come up with main findings regarding the responsibilities of the chief executive officer and the division of responsibility between the board and management.

1. What functions are to be carried out by the chief executive officer? What are his/her roles and responsibilities?
2. What roles and responsibilities the chief executive officer in your organization is performing at present? Are they in line with the executive roles you have identified earlier? How effectively those roles and responsibilities are being carried out? What are the gaps and how they can be improved?
3. What should be the relationships between the board and the chief executive officer? What is the current state of relationship in your organization?
4. How they should share the responsibility between the two? What is the current state of division of responsibility in your organization?
5. How both the relationship and the division of responsibility between the two can be improved?
6. What happens if the board chair and the chief executive positions are occupied by the same person?



Time: One hour

..... Why do this Activity?

If the organization has a board which is knowledgeable with respect to its roles and responsibilities, it assists the organization for development, quality of work, productivity, adaptability and effectiveness. This is a result of the sense of responsibility that develops in individuals as a result of good governance in the organization. This activity helps us evaluate the working of an NGO board as well as identify the areas which require attention.

..... Learning Objective

- Evaluate the working of a governing board in an NGO.

..... How to do the Activity?

Note

Make all necessary preparations before the start of the activity. Open up the activity following the general guidelines for facilitators.

Step I: 60 minutes

Individual presentation

Provide each participant with the Assignment Sheet 2.5. Paste a larger version of the worksheet (in a chart paper) on to the wall so that everyone can see it. Go around the room and ask each participant to read one of the evaluation points in the assignment sheet and ask them to clarify what that means. Allow some time in between for participants to think and answer. Have all 16 points clarified following this process.

Group exercise

Ask participants from the same organization to form a group for the assignment. If there is just one participant from an organization, he/she should work on his/her own. Ask each group to rate their board as per the evaluation points in the Assignment Sheet 2.3. Ask each group also to discuss why they rate their board in that manner. Ask each group to discuss the following issues:

- How well do they think the board is handling their roles and responsibilities?
- What are the issues that are similar? What are the key issues?

their responses. It has to be kept in mind that participants should have understanding of earlier mentioned roles and responsibilities of a board. Instigate some discussion on how board can ensure good governance.

Conclude the activity with summary of key learning points. Assess the learning of participants by asking questions randomly about the key contents covered.



Time out



Materials

- Chart papers, markers, flipchart board, white board, overhead projector and transparencies of visuals.
- Copies of handouts for each participant.
- Copies of assignment sheet for each participant.



Handouts

- Handout 2.5.: Evaluating the Board
- Assignment Sheet 2.5.: Evaluating the Working of a Board

An effective governing body continually assesses its own performance against clear objectives. For example, the board might identify the two or three most important decisions it must make in the year ahead, set clear objectives based on the mission and strategic directions of the organization and then focus the flow of information and intermediate decisions to be consistent with the desired outcomes. An effective governing body also sets clear standards for such matters as individual board member attendance and participation or contribution to the goals of the organization. Best practices in board evaluation processes include the following:

- Regular assessment of collective and individual performance based upon an objective and structured system.
- Periodic third party reviews, external monitoring and governance audits.
- Regular in camera (board members only) meetings or sessions to continually assess board performance and to address key sensitive issues. Where an assessment and development committee operates it would report to the board during one of these meetings.
- Agreement by the board and chief executive to take independent professional advice when necessary in the furtherance of their duty to function effectively.

The effectiveness of the non-profit board can be enhanced by regular assessment of its activities and performance. An assessment process can help board members to understand their role better and encourage fulfillment of board responsibilities. The process need not be complicated; it can be placed on the agenda of a board meeting, or occur regularly within board meeting discussions through questions that serve to refocus the board on larger issues.

For example, a useful strategy is to conclude board meetings by asking board members to rate the meeting on following issues:

- Were the issues covered today significant?
- Were materials and agendas prepared and sent over to participants prior to the meeting?
- Did the materials received prior to the meeting adequately prepare the members to participate in the discussion?
- Did the board conduct matters of management or policy?
- Overall, was the meeting worth the time?

A steady stream of feedback created by these responses and used by the board chair and executive director can greatly improve the value of board meetings.

An annual board assessment gives each board member the opportunity to evaluate the board's overall effectiveness at accomplishing its goals in a variety of activity areas. It can be scheduled to occur during a board meeting, or completed by board members on their own time. Results of the evaluation can be

- Be knowledgeable about the organization's programs and services.
- Monitor and evaluate the performance of the chief executive on a regular basis
- Provide financial oversight for the organization, including adopting a realistic budget that maximizes use of resources.
- Monitor financial performance and projections on a regular basis.
- Adopt a fundraising strategy to ensure adequate resources.
- Have a clear policy on the responsibilities of board members for fundraising.
- Act as a link to the community on behalf of the organization and its target group or customers.
- Understand the needs of the community or the target group.
- Understand the role that volunteers play in the organization and the organization's philosophy of volunteer management.
- Understand the respective roles of the board and staff.
- Have an appropriate range of expertise and diversity to make it an effective governing body.
- Effectively involve all Board members in Board activities and responsibilities.
- Regularly assesses its own work.

How satisfied are you that the Board...	Very Satisfied	Somewhat Satisfied	Not Very Satisfied	Not Satisfied at All
1. Understands and communicates the mission and purpose of the organization?	VS	SS	NV	NS
2. Ensures legal compliance with state and local regulations?	VS	SS	NV	NS
3. Has a strategic vision for the organization?	VS	SS	NV	NS
4. Is knowledgeable about the organization's programs and services?	VS	SS	NV	NS
5. Monitors and evaluates the performance of the chief executive on a regular basis?	VS	SS	NV	NS
6. Provides financial oversight for the organization, including adopting a realistic budget that maximizes use of resources?	VS	SS	NV	NS
7. Monitors financial performance and projections on a regular basis?	VS	SS	NV	NS
8. Has adopted a fundraising strategy to ensure adequate resources?	VS	SS	NV	NS
9. Has a clear policy on the responsibilities of board members for fundraising?	VS	SS	NV	NS
10. Acts as a link to the community on behalf of the organization and its target group or customers?	VS	SS	NV	NS
11. Understands the needs of the community or the target group?	VS	SS	NV	NS
12. Understands the role that volunteers play in the organization and the organization's philosophy of volunteer management?	VS	SS	NV	NS
13. Understands the respective roles of the board and staff?	VS	SS	NV	NS
14. Currently contains an appropriate range of expertise and diversity to make it an effective governing body?	VS	SS	NV	NS
15. Effectively involves all board members in Board activities and responsibilities?	VS	SS	NV	NS
16. Regularly assesses its own work?	VS	SS	NV	NS

UNDERSTANDING GOOD GOVERNANCE AND EVALUATING GOVERNANCE IN AN ORGANIZATION

□  **Time:** Two hours □

..... Why do this Activity?

NGOs should try to achieve good governance for its success and continued development. The structure and process of governance should be implemented within a particular framework of norms and practices characterized by some professional and ethical considerations. The framework is described as good governance. This activity helps understand the core characteristics of good governance and provide a method to evaluate governance in an organization.

..... Learning Objective

- Assess their organizations in terms of the core governance elements and identify improvement needs to develop them.

..... How to do the Activity?

Note

Make all necessary preparations before the start of the activity. Open up the activity following the general guidelines for facilitators.

Step 1: 30 minutes

Individual
presentation

Provide each participant with the Assignment Sheet 2.6. Paste a larger version of the worksheet (in a chart paper) on to the wall so that everyone can see it. Go around the room and ask each participant to read one of the evaluation points in the assignment sheet and ask them to clarify what that means. Allow some time in between for participants to think and answer. Have all nine points clarified following this process.

Step 2: 90 minutes

Group
exercise

Ask participants from the same organization to form a group for the assignment. If there is just one participant from an organization, he/she should work on his/her own. Ask each group

Instructions.

Ask each group also to discuss why they rate their organization in that manner. Ask them to add the entire **core characteristic scores** (9 of them); divide it by 9, to come up with **overall governance score**. Use the same **score sheet** given above to evaluate the organization's performance.

Plenary

Assemble the groups. Have each group present their findings taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each others findings.

Note

When facilitating the activity, if necessary, clarify the core characteristics to ensure that the participants are able to put up indicators for the characteristics. Ensure that they discuss among the group members before putting up a grade. If you feel that the grades are not consistent ensure to ask for reasons and cite examples to justify their grading. While facilitating the discussion ensure that participants are clear that this method is an example of assessing the governance in the organizations. There might be other methods as well.

Conclude the activity with summary of key learning points. Assess the learning of participants by asking questions randomly about the key contents covered.



Time out



Materials

- Chart papers, markers, flipchart board, white board, overhead projector and transparencies of visuals.
- Copies of handouts for each participant.
- Copies of assignment sheet for each participant.



Handouts

- Handout 2.6: Good Governance and Its Core Characteristics
- Assignment Sheet 2.6(a): Core Characteristic of Good Governance
- Assignment Sheet 2.6(b): Evaluating Good Governance in the Organization

The terms governance and good governance are being increasingly used in development literature. Governance describes the process of directing and controlling an organization as it pursues its goals. Good governance accomplishes this in a manner essentially free of misuse and corruption, and with due regard for the rule of law. Good governance is necessary for the development of an organization, particularly to enhance the quality of its work or services, its productivity, adaptability, and effectiveness.

The basic characteristics of good governance can be defined as follows:

Participation

Staffs at levels of an organization should have voice in making decisions that direct and control the way the organization goes about achieving its goals. The participation in decision-making can either be direct or through a proper formal channel. Such broad participation is built on freedom of association and speech, as well as capacities to participate constructively. An example could be an organization holding scheduled internal meetings to discuss, communicate and share information regarding changes in compensation package for the employees.

Rule of Law

Legal frameworks should be fair and enforced impartially and everyone in the organization is either aware or have access the laws guiding the organization. All decisions or activities should be within the structures enforced by the rules and laws of the organization. For example, people are hired or their contract terminated as per the guidelines laid down in the personnel management manual, not on ad-hoc decision of some individual.

Transparency

The level of transparency depends on the free flow of information which helps in understanding and monitoring the organization. All the employees and members of the organization must be aware of plans and changes in organization. However, the level and detail of the information can vary depending upon the need and the position of the individual in the organization. Suppose the organization is going to implement a new program, everyone in the organization needs to be made aware of it either through meetings or some form of communication like internal memo or notice. The employees who are directly involved in the program may have all the detail information, while others may just have a brief on the planned program.

Responsiveness

The organization, positions and the processes should all be there to try to serve all stakeholders of the organization. Each positions and processes should have some sort of understanding and linkages with the stakeholders to be able to serve them regularly as well as provide support in time of new emergent needs.

Equity and fairness

Staffs or employees at all levels of organization are given every possible opportunity to improve or maintain their well-being. There should be no discrimination at all levels for information access to opportunity that are planned or comes to the organization. For example, organizations may be offered trainings to improve the skills of its employees as a result of some donor supporting the initiative. The organization is expected to communicate the opportunity to all its relevant levels of employees and make selection through a fair and transparent process, thus not excluding any qualified person from trying for the training opportunity.

Effectiveness and Efficiency

The organization should be directed so that there is optimum utilization of resources for the best desired results.

Accountability

The decision-makers of the organization are accountable to the community and the stakeholders. This accountability differs depending on the organizations and whether the decision is internal or external to an organization.

Strategic Vision

Leaders and the public should have a broad and a long-term perspective on good governance and human resources development, along with a sense of what is needed for such development.

- 1. Participation**
- 2. Rule of Law**
- 3. Transparency**
- 4. Responsiveness**
- 5. Consensus orientation**
- 6. Equity**
- 7. Effectiveness and Efficiency**
- 8. Accountability**
- 9. Strategic Vision**

Core Characteristic of Good Governance #1: Participation	
Indicators to measure the level of participation (4 indicators)	Grade (1-5)
Total	
Score = (Total / 20)	Score = / 20 =
Core Characteristic of Good Governance #2: Rule of Law	
Indicators to measure the level of participation (4 indicators)	Grade (1-5)
Total	
Score = (Total / 20)	Score = / 20 =
Core Characteristic of Good Governance #3: Transparency	
Indicators to measure the level of participation (4 indicators)	Grade (1-5)
Total	
Score = (Total / 20)	Score = / 20 =
Core Characteristic of Good Governance #4: Responsiveness	
Indicators to measure the level of participation (4 indicators)	Grade (1-5)

Total	
Score = (Total / 20)	Score = / 20 =
Core Characteristic of Good Governance #6: Equity	
Indicators to measure the level of participation (4 indicators)	Grade (1-5)
Total	
Score = (Total / 20)	Score = / 20 =
Core Characteristic of Good Governance #7: Effectiveness and Efficiency	
Indicators to measure the level of participation (4 indicators)	Grade (1-5)
Total	
Score = (Total / 20)	Score = / 20 =
Core Characteristic of Good Governance #8: Accountability	
Indicators to measure the level of participation (4 indicators)	Grade (1-5)
Total	
Score = (Total / 20)	Score = / 20

Total	
Score = (Total / 20)	Score = / 20 =

Core Characteristic of Good Governance #1: Participation	
Indicators to measure the level of participation (4 indicators)	Grade (1-5)
1) Women's representation in the organization.	4
2) Incentives for employee participation in the organization.	2
3) Stakeholders and employees involved in the planning process.	3
4) Internal scheduled meeting and forums for information sharing and communication	3
Total	12
Score = (Total / 20)	Score = 12/ 20 = 0.6
<p>SCORE SHEET</p> <p>0.85 -1.00 = Very Good</p> <p>0.65-0.84 = Good (room for improvement)</p> <p>0.50-0.64 = Fair (can do better)</p> <p>0.35-0.49 = Poor (more commitment and effort needed)</p> <p>Less than 0.35 = Very Poor (something is wrong)</p>	<p>Grades</p> <p>5: Very Good</p> <p>4: Good</p> <p>3: Moderate</p> <p>2: Poor</p> <p>1: Very Poor</p>

..... Introduction

This unit introduces a framework to understand basic functions of management and responsibilities of the leaders of organization. It lays emphasis on understanding qualities, roles, functions and styles of leader managers in organizations and elaborates on the competencies and qualities leader managers should possess. Understanding of leadership and management, together with the knowledge of governance and organizational components, will help NGO leaders and managers direct, manage and develop their organizations in a more professional way.

..... Learning Objectives

After completion of all the activities and study materials of the unit, participants will be able to:

- Describe the basic concepts and functions of management and leadership and compare and relate them as the core processes of developing organizations;
- Explain and apply the various leadership and management qualities, roles and functions, behaviors and practices, competencies, and styles for being effective leader managers; and
- Describe the various aspects of improving team effectiveness and use systematic procedures for developing teams for developing organization.

..... Structure and Timing

Activity One: Understanding Management and Leadership (Two hours)

Activity Two: Effective Leader Managers (Six hours)

Activity Three: Improving Team Effectiveness (Three hours)



Total Time: 11 hours

UNDERSTANDING MANAGEMENT AND LEADERSHIP



Time: Two hours

..... Why do this Activity?

Developing an organization is as much a function of good governance as it is a result of effective management and leadership. Leaders and managers in organizations should develop understanding and ability of managing and leading their organizations in order to improve the effectiveness of their organizations. Both leadership and management are closely related, but also have distinct focuses as they relate to the organizational development process. This activity helps us build an understanding of basic management functions and the relationships between management and leadership within an organization.

..... Learning Objective

- Describe the basic concepts and functions of management and leadership and compare and relate them as the core processes of developing organizations.

..... How to do the Activity?

Note

Make all necessary preparations before the start of the activity. Open up the activity following the general guidelines for facilitators.

Step 1: 60 minutes

Case discussion

Divide participants into mixed groups of 3-4 persons each. Give them the case exercise *Bal Sarokar Kendra* (Case Exercise 3.1). Ask them to discuss in the groups the issues given at the end of the case and to note their findings on chart papers. Ask them to define the functions of management and the concepts of management and leadership.

Plenary

Assemble the groups. Have each group present their findings taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each others findings.

Using the definitions generated, develop a joint “working definitions” of the basic functions of management and the concepts of management and leadership.

now both of them are critical for the process of developing organizations. Display the agreed "working definitions" of management functions and the concepts of management and leadership on the wall for the remainder of the workshop.

Step 2: 60 minutes

Group/
individual
assignment

Ask participants from the same organization to form a group for the assignment. If there is just one participant from an organization, he/she should work on his/her own. Hand out the Assignment Sheet (3.1). Ask them to assess the performance of the management functions and the roles of managers and leaders in their own organization.

Note

This assignment may take more time than it is possible to give, and the groups may not fully complete it within the given time. State that it is okay if they can come up with a couple of examples in case of each question. Encourage them to continue to work on the issues even beyond the training session as they are very critical to understand the concepts of an organization. Presentation of this assignment during the session may not be necessary. Encourage them to share quickly the new understanding they have now developed about management functions and roles in their organizations.

Conclude the activity with summary of key learning points. Assess the learning of participants by asking questions randomly about the key contents covered.



Time out



Materials

- Chart papers, markers, flipchart board, white board, overhead projector and transparencies of visuals.
- Copies of handouts for each participant.
- Copies of case exercise for each participant.



Handouts

- Handout 3.1: Understanding Management and Leadership
- Case exercise 3.1: *Bal Sarokar Kendra*
- Assignment Sheet 3.1: Assessment of Management Functions and Performance of Managers and Leaders Roles

Developing an organization is as much a function of good governance as it is a result of effective management and leadership. Leaders and managers in organizations should develop understanding and ability of managing and leading their organizations in order to improve the effectiveness of their organizations.

What is Management?

Management, like leadership and governance, can best be understood in terms of its role in running and developing organizations. Better managing is necessary for achieving organizational effectiveness. More often than not, poor management results in the stagnation, failure and collapse of an organization.

How management makes it possible for an organization to achieve what it intends to achieve? It does so by combining various resources like people, time, tasks, money, materials, information, facilities, skills and technology into a total system and using them in a systematic and efficient way to achieve the results. In simple terms, management is about the use of a systematic process to get results.

If the results are not achieved efficiently, there has been no management; it is possible to achieve the results efficiently only when certain well-designed and systematic processes are used properly. In this sense, management is **the act of applying various practices, simple or sophisticated, in order to combine in an efficient, effective and economical way various physical, financial, human, informational, and technological resources in the pursuit of certain goals both at individual and collective levels.**

Based on this description of management, we can infer certain key concepts of management.

- Management is a goal-directed function. It facilitates achieving results.
- Management involves action-orientation. It entails use of various practices.
- Management integrates in the best possible way various resources
- Management aims at optimization. It utilizes resources following the principles of economy, efficiency and effectiveness.
- Management approaches things systematically.

Fig. I shows the basic components of management. The process basically involves establishing objectives, directing and coordinating people and resources for the attainment of the objectives, and evaluating whether and to what extent the objectives have been achieved. Evaluation of the results leads to the reformulation of the objectives for the next cycle. For executing each step of management, several activities are to be performed as listed in Fig. I.

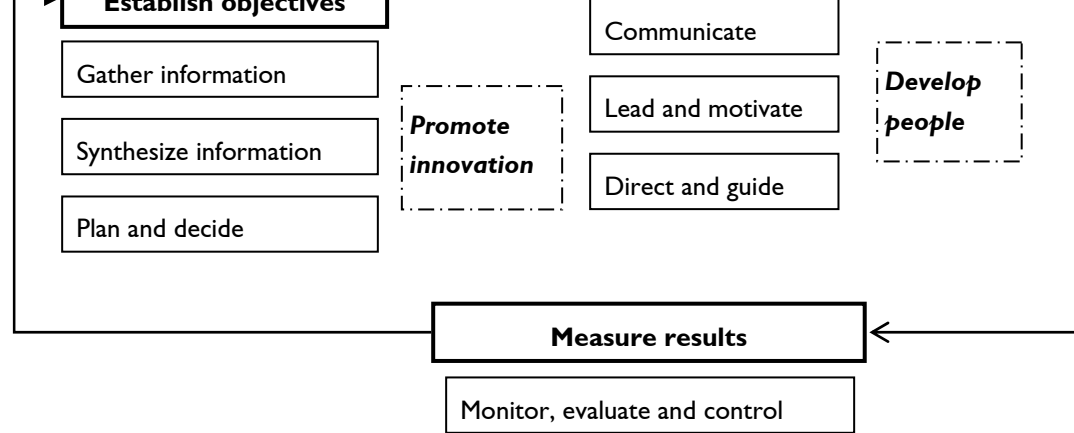


Fig. 1: Basic Components of Management

As an organized process of doing things, management involves three main things:

- A series of functions (e.g. planning, organizing, directing and controlling)
- A series of processes (e.g. problem solving/ decision-making, communicating, coordinating, motivating, developing)
- A series of techniques (e.g. strategic planning, MbO, budgeting, organization design, job analysis, participatory leadership).

Functions of Management

Traditionally for a general organization, basic functions of management can be defined as planning, organizing, leading, coordinating, and controlling. There is a debate on whether “leading” is a function of management or not. However, in case of a general NGO, the roles of leadership and management are in many times held by the same person. In addition to that, the management that also can “lead” the organization has more chance of successfully directing the organization towards its goals and objectives. One manages things - systems, processes, and technology, while one “leads” people. Leadership is an action, not a position, thus leading is an important function of management.

Planning

Planning is the process of deciding what is to be done, when, how and with what resources. Planning is the most basic of all management functions. A manager organizes, controls, and coordinates staffs and resources to ensure the achievement of objectives according to the plans. It bridges the gap between where we are and where we want to be. It helps to set the objectives and chalk out a specific course of actions to achieve the goals. Planning requires imagination, foresight and sound judgment. It embraces and involves forecasting of opportunities and hazards within an organization.

- Tools and technologies to be applied to achieve the above mentioned goals, objectives and planned programs/activities; and
- The sources of resources and the arrangements for acquiring them.

Thus, by deciding on the above points, an organization bridges the gap between where an organization is at present and to where it is going to be in the future and how. Planning is thus a continuous process. It is as important in the preconception stage of an organization as in the latter stage when it is established and functioning well.

Organizing

Organizing is the process of:

- Reviewing the plans and objectives so as to enable the management to organize people and tasks effectively in order to achieve the defined objectives;
- Ensuring that required resources are timely available in the organization;
- Analyzing and determining activities needed to accomplish the objectives;
- Classifying and grouping activities into manageable work units. This is done by matching skills to specific activities;
- Determining who does what and when and assigning work and resources by choosing right persons with required skills for the specified jobs; and
- Seeking feedback on the outcomes of the planned and organized activities in order to determine and evaluate the results and determining changes and modifications.

While organizing, we can apply organizing logic which can be summarized as follows:

- Establishing the organization's objectives;
- Formulating supporting objectives, policies and plans;
- Identifying and classifying the activities necessary to accomplish these objectives;
- Grouping these activities in the light of human and material resources available and the best way of using them under the given circumstances;
- Delegating to the head of each group the authority necessary to perform the activities; and
- Tying the groups together (horizontally and vertically), through authority relationships and information flows.

organizations who are concerned with achieving a common goal. The planned collaboration is achieved by directing staffs, activities and resources to the specified tasks as per the established process, influencing them so that they produce the desired results, and supervising and guiding them for the same. In their coordination, managers have to interact with people, both inside and outside the organization. Such collaboration is important to achieve the goal most adequately, effectively and efficiently. When people and their activities are coordinated, everything works well.

Good coordination always contributes towards the achievement of organizational goals and objectives. This implies knowledge and understanding of enterprise objectives, not just on the part of a few at the top but everyone throughout the enterprise.

Coordination and control are not the same things. Coordination is a softer approach to controlling while controlling implies supervising and monitoring activities to ensure that things are done in conformance to the set targets, standards, or rules.

Level of control varies with the status of managers. However, to every manager, control is a very important function of management. A manager must establish standards, check progress, measure and interpret the result, and take corrective action to make control effective. As control is done basically by matching the actual results with the desired (planned) result, it is closely associated with planning. This function plays a major role in actual evaluation of the expected outcome and the level of success of management/organization in achieving the set target and objectives.

Leading

Without proper directions, guide, motivation and inspiration, people with assigned tasks are not likely to apply themselves fully to the achievement of the organizational or group goals. This is the basic function of leading. Leading is to influence others and to ensure that directions are followed, which makes leading as an important function of management. Leading can not be just considered as a skill or just an attribute an individual possess, but an important function which management has to undertake.

What is Leadership?

Leading has relevance in organizations not only as a managerial function. It has much larger organizational relevance in terms of creating organizations, setting their directions, and influencing organizational members to pursue the directions while giving their best in this process. In this sense, leadership as an organizational component goes beyond management to include the influencing and inspiring social force that drives organizations and people towards a common goal. Leadership, together with governance and management, ensures the success and development of organizations.

Traditionally, leadership in organizations is viewed as **the process of influencing people in efforts towards the achievement of organizational goals**. This is the *transactional perspective* of leadership in

Organizational leadership is **the process of creating a vision for the future of the organization and inspiring and empowering organizational members to attain it.** This is the transformational perspective of leadership. This is the kind of leadership that fundamentally reshapes, repositions, or transforms an organization by creating and communicating compelling vision, values and standards while inspiring and empowering organizational members to pursue them with extra-ordinary performance. Transformational leadership:

- Creates and communicates a vision for a transformed organization as well as the passion and skills to develop it (*envisioning*);
- Inspires followers to transcend self- interest for organizational good and to give extraordinary performance (*energizing*); and
- Shifts the values, needs, and capability of followers and enables them for a new height of performance (*empowering*).

For the development of NGOs, both kinds of leadership would be necessary. While the managers in NGOs should continue to lead staff members with the transactional approach, the organizational leaders would do well if they exercised transformational leadership. In this sense, leadership in NGOs can be looked at as **the process of setting direction for the organization, groups and individuals and also influencing them to follow that direction.** Leading is necessary to get people to do what is required of them in order to achieve the set or agreed goals. At the same time, and perhaps more importantly, it is necessary to create a vision for future of the organization and to empower people to achieve its transformation as envisioned. Practices of leadership from this combined perspective include;

- Establishing strategic direction (vision, values, mission, and goals) by involving people who are to work together towards the direction;
- Communicating the strategic direction to all who are to pursue the direction;
- Influencing and inspiring people to follow the direction by showing behaviors and taking actions necessary for achieving the results as they move towards the given direction;
- Empowering and capacitating people and the organization to achieve the planned transformation; and
- Championing methods for performance management to pursue the agreed direction and rewarding people for their good performance.

Managers and Leaders

While all managers perform the leading function to an extent, all of them may not be effective leaders. It is very important that managers in NGOs also work as effective leaders. Although one's position as a manager, supervisor, and in-charge etc. gives the authority to accomplish certain tasks and an objective in

is important that effective managers develop leadership skills as well as other related skills including technical, professional and analytical skills, which will enable the manager to analyze issues, people and situations in order to deal with them appropriately. Managers occupy formally designated positions of leadership. In order to influence the subordinates to work as per the expectation, the manager must develop leadership skills. They have to learn how to deal with people and how to influence people in order to ensure that the work is done. To become an efficient manager, a manager must:

- **Achieve the task:** A group and a manager have no reasons for existence if the task they are assigned is not achieved and the desired goals and objectives are not fulfilled.
- **Maintain effective relationships:** A manager must maintain good relationships between individuals and the group/teams. These relationships are effective if they result in achieving the task. They can be divided into those concerned with the team and its morale and sense of common purpose and those concerned with the individuals in the team and how they are motivated.

In short, it takes effective leadership skills of the manager to motivate the workers to perform willingly, effectively, and efficiently.

On the other hand, organizational leaders also benefit from being effective managers. The focus of management is on the use of systematic and efficient processes to achieve the intended results. Organizational leaders would do well if they promoted and pursued effective management practices while leading organizational members towards the envisioned strategic directions. From this perspective, many organizational leaders in NGOs are yet to appreciate and adopt professional management practices in their organizations and develop their managerial abilities.

Despite the complementary roles, it is often argued that leaders and managers differ in respect of some important aspects of their focus and behaviors. Managers are more focused on results and they operate within a context. On the other hand, leaders give a long-term vision and create and conquer the context. Managers maintain and administer, leaders develop and innovate. Managers rely on control, take a short-range view, and accept the status quo, leaders inspire trust, take a long-range view, and challenge status quo. Management attends to bottom line matters (how to best accomplish certain things), leadership is top line thinking (attention to what is to be achieved). Management is about doing things right; leadership is about doing the right thing. The differences in focus are illustrated in the table given in the next page.

Although there are such differences, it is generally difficult, and not possible, to find fine distinction in the real organizational context. Rather than stressing the differences, it is more appropriate to emphasize the need for balancing managerial and leadership roles in NGOs. What NGOs need is leader managers rather than simply routine managers or unfocused leaders.

Control	Commitment
Strategic planning	Strategic opportunism
A way of doing	A way of being
Directing	Serving
Responding and reacting	Initiating and originating
Continuous improvement of <i>what is</i>	Innovative breakthroughs to <i>what could be</i>

Leader managers differ from the others in that they:

- Think longer term.
- Think of how their organization fits into a larger organization or larger outside world.
- Cross bureaucratic boundaries and jurisdictions.
- Emphasize intangibles like vision, values, and motivation.
- Have political skills to cope with conflict.
- Think in terms of renewal.

Both management and leadership skills are needed at the organizational, team, and personal levels. Trying to run an organization with only leadership or management is like trying to cut a page with just one blade of a scissor. Leadership and management are a matched set; they are both needed to be effective.

Established in 1989, by people from varied field of human psychology, social rights and development, *Bal Sarokar Kendra* (BSK) is working for the rights of the children and against child labor exploitation. BSK works under the guidance and governance of its executive committee formed by people who have numerous years of experience in this field. Under the able leadership and management of its Executive Director Mr. Krishna Tamang, who is also a member of the executive committee, it has been able to project itself as the advocate organization for the rights of the children in the country.

BSK raises the voice of children through lobbying, campaign and pressure to the government to protect and promote child rights in the country, and to end all kinds of exploitation, abuse and discrimination against children. This requires lot of planning and implementation activities for BSK. Mr. Tamang is ably supported by the Program Director Ms. Sheela KC in planning and implementation of BSK's programs and activities. The executive committee is informed and consulted before any programs are implemented and Mr. Tamang works to ensure that they are in line with the strategic direction and organizational ideology of BSK.

Planning and organizing of resources, people, materials, technology and funds are major areas of concern within BSK. This involves a joint effort of all the departments and top management coming together in identifying the objectives, activities and resources required and ways to ensure them. Ms. Rama Shrestha, head of finance department, is a key person responsible for preparing BSK budgets and program budgetary outlays.

BSK depends on various fund raising programs and donors-based activities to carry out its programs and activities. Mr. Tamang and Ms. KC coordinate their activities to organize and ensure that adequate resources are available within their organization. As a concerned organization to the children at risk, BSK has been also undertaking a number of socialization, support and rehabilitation programs. It puts special emphasis on networking with other organizations to fulfill its objectives. It has a separate unit dedicated towards increasing its network and level of cooperation among other organizations. The unit is headed by Mr. Pursottam Regmi, which is responsible to coordinate and seek collaboration from the network partners to implement any programs and activities.

Ms. KC and her colleagues in the program department are responsible for coordinating and implementing any programs and activities with the support of the networking department. Mr. Tamang ensures that he is also involved in the preliminary planning sessions and is constantly informed of the progress. Each program or activity is handled by a program coordinator, often chosen out of the communities or the network partner chosen to implement the activities. BSK ensures through its Program department to monitor and control the program implementation process. A program performance monitoring manual, developed in-house, is used to monitor and control implementation of programs and activities.

- What are the key management functions within the organization? Are they relevant in relation to the needs?
 - Who are the managers and leaders of the organization? How are they different or similar?
2. Based on the information generated, write statements defining the concepts of management and leadership and the basic functions of management in a formal organization.

Management

Function of Management

Leadership

PERFORMANCE OF MANAGER AND LEADER ROLES

In the assigned groups or individually, assess the performance of management functions and the roles of managers and leaders in your organization by discussing and answering the questions given below.

1. Which of the management functions are performed in your organization? What is your assessment of the performance of management functions in your organization?
2. Which management functions need to be improved in your organization? How they can be improved?
3. Think of managers and leaders in your organization. What is your assessment of their role performance?
4. What improvements in managerial and leadership role performance are needed? How they can be improved?

EFFECTIVE LEADER MANAGERS



Time: Six hours

.....Why do this Activity?

Organizational leaders require using effective management practices and managers in the organization should be able to exercise effective leadership practices. In fact, organizations benefit from having high quality leader managers who can lead and manage the process of developing organizations. Effective leader managers are not born; they grow and develop. It is possible to learn to be effective leader managers. This activity helps understand and develop qualities, roles, practices and styles effective leader managers.

.....Learning Objective

- Explain and apply the various leadership and management qualities, roles and functions, behaviors and practices, competencies, and styles for being effective leader managers.

.....How to do the Activity?

Note

Make all necessary preparations before the start of the activity. Open up the activity following the general guidelines for facilitators.

Step I: 90 minutes

Group exercise	Divide participants into five mixed groups of roughly same size. Give them Assignment Sheet 3.2(a) that contains five issues: qualities, functions, roles, practices and competencies. Assign one issue to one group. Ask them to discuss in the groups the issue assigned to them on the basis of their experience of leading and managing their organizations and prepare their findings on chart papers for sharing.
Plenary	<p>Assemble the groups. Have each group present their findings taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each others findings.</p> <p>Using each group's findings, develop five lists of leaders'/managers' qualities, functions, roles, practices, and competencies for being effective in performance.</p>

Share findings and develop five lists of leaders'/managers' qualities, functions, roles, practices, and competencies for being effective in performance.

managers in NGOs. Display the agreed lists of qualities, roles, functions, practices and competencies" of effective leader managers on the wall for the remainder of the workshop.

Step 2: 90 minutes

Individual Assignment	Give Assignment Sheet 3.2(b) to individual participants. Explain to them that the purpose of the assignment is to sensitize them to the various aspects of the leader manager's behaviors and help them gain understanding of their own leadership behaviors. Ask them to complete the attached questionnaires.
Plenary	<p>After they have completed the questionnaires, tell them the scoring system and help them score. Explain how to interpret the scores.</p> <p>Lead a general discussion on the various aspects of leadership behaviors covered by the questionnaires and also on the implications of the findings of the self assessment for the improvement of leadership behaviors and practices by individual participants.</p>
Note	It may be necessary to help participants to complete the questionnaires by explaining some statements they find difficult to comprehend. Explain when necessary, but let them complete each statement or item as they think appropriate for them individually. Give fixed time for completing each questionnaire. Emphasize that there is no right or wrong answer. It is not necessary for sharing the scores of all participants, but some of them may voluntarily share their scores for interpretations and discussions on their implications.

Step 3: 90 minutes

Handout	Distribute reading material (Handout 3.2) to participants and ask them to quickly browse it as they prepare to do the assignment.
Group/ individual assignment	Ask participants from the same organization to form a group for the assignment. If there is just one participant from an organization, he/she should work on his/her own. Hand out the Assignment Sheet (3.2c). Ask them to assess qualities, functions, roles, practices and competencies of the leader managers in their own organization.

beyond the training session as they are very critical to understand the existing pattern of leadership and management practices and identify the areas for improvement. Presentation of this assignment during the session may not be necessary. Encourage them to share quickly some of the findings, particularly those related to the improvement needs identified.

Step 4: 90 minutes

Presentation/ discussion	Using visuals, briefly introduce the fundamental concepts of leadership and management styles, emphasizing the situational styles for being effective leader managers. Facilitate a general discussion on the development levels of followers with emphasis on matching one's style with the level of development of followers.
Group exercise	Divide participants into mixed groups of 3 – 4 persons each. Give them Assignment Sheet 3.2(d). Ask them to discuss in the groups and identify the development levels of the persons and the appropriate style of leadership in each case.
Plenary	Assemble the groups. Have each group present their findings taking their turn. Correct their diagnosis of the development level and the matching leadership style, if necessary. Discuss the outputs of the group work.
Note	It is important for the facilitator to move around while the groups are working on the cases. Explain and help them understand the situation in each case without telling them the development level and matching leadership style.
Individual Assignment	Give Assignment Sheet 3.2(e) to individual participants. Ask them to identify their style as a leader manager, diagnose the development level of their subordinates, and assess the appropriateness of their style.
Plenary	Assemble participants in the plenary session. Lead a general discussion on match between the leadership styles and the development levels of subordinates.
Note	Inform participants that they should read the descriptions of each of the four styles of situational leadership (directive, coaching, supportive, and delegating) as given in Handout 3.2 carefully to identify their styles. If necessary, help them to identify their situational styles by elaborating each style. Also inform that they may refer to the questionnaires given in Assignment 3.2 to get idea about their style. Invite some participants to voluntarily share their assessment. Discuss their implications for necessary changes to improve the match between the style and the development level.

Step 5: 60 minutes

Presentation/ discussion	Using visuals, briefly introduce the fundamental concepts and processes of transformational leadership, servant leadership, and self-leadership. Facilitate a general discussion on the
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Note

It is not necessary to present the individual plans. Encourage to share plans by some participants and have discussion on them.

Conclude the activity with summary of key learning points. Assess the learning of participants by asking questions randomly about the key contents covered.



Materials

- Chart papers, markers, flipchart board, white board, overhead projector and transparencies of visuals.
- Copies of handouts for each participant.
- Copies of assignment sheet for each participant.



Handouts

- Handout 3.2.: Effective Leader Managers
- Assignment Sheet 3.2 (a): Identification of Effective Leader Managers
- Assignment Sheet 3.2 (b): Self Assessment of Leadership Behaviors
- Assignment Sheet 3.2 (c): Assessment of Patterns of Leadership and Management Behaviors
- Assignment Sheet 3.2 (d): Situational Leadership
- Assignment Sheet 3.2 (e): Assessment of Style Match
- Assignment Sheet 3.2 (f): Plan for Application of New Leadership Approaches

In an organizational context, the choice is not between leadership and management. For successful operation and development of organizations, both leadership and management are necessary. Organizational leaders require using effective management practices and should possess high level of management competencies. In the same way, executives and functional managers in the organization should be able to exercise effective leadership practices and demonstrate inspiring and empowering leadership behaviors. In fact, organizations benefit from having high quality leader managers.

Effective leader managers are not born; they grow and develop. It is possible to learn to be effective leader managers. Effectiveness in the role of leader managers is a function of several factors: development of certain personal and professional qualities, performance of certain roles and functions, use of certain behaviors and practices, adoption of certain styles, and learning of certain competencies.

Qualities for Effective Leader Managers

The popular belief in the past was that a leader possesses certain physical and psychological traits or characteristics. Its basic thesis is that certain personality traits set leaders apart from the followers; they bring people naturally into leadership roles. This is the concept of natural leader. Dozens of such natural leadership traits have been put forward. Important among them include: emotional stability, dominance, enthusiasm, conscientiousness (the tendency to think carefully before acting), social boldness, tough-mindedness, high energy, intuitiveness, empathy (being able to put yourself in the other person's shoes), charisma, and maturity. However, there is little research-based evidence to support the trait-based view of leadership. The problem with this explanation is that no specific personality traits can be fully associated with the effectiveness of leadership or management.

Later on, the focus shifted to identifying basic qualities of a leader that increases the probability of being an effective leader or manager. Though there is no unanimity in what qualities in a leader or manager makes him/ her effective, some qualities have been found to be somewhat associated with effective leadership. They include: a high effort level or drive, a strong desire to lead, a secure self- confidence, reasonable cognitive ability, and a high degree of task- related knowledge, and emotional intelligence. Some other qualities associated with effective leadership are: a clear vision of their expectation from the group they lead, clarity of the long term and short term objectives, decisiveness. integrity, creativity, analytical ability, understanding of others in the group, ability to spot opportunities, ability to face unpleasant situations, ability to adapt quickly to change, and willingness to take risks.

The qualities may differ from one organization to the other and from one particular work group to another. But in general they are believed to enable leader managers to perform effectively. Unlike personality traits, it is possible to acquire these qualities through learning and experience.

Functions and Roles of Leader Managers

should meet three types of needs for which he/she has to perform several functions as follows:

Functions for Task Needs

- Define the task.
- Make and adjust the plan.
- Allocate work and resources.
- Control quality and tempo of work.
- Appraise performance.

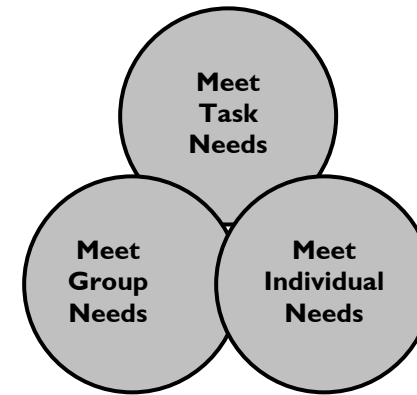


Fig. 1: Functions of Leadership

Functions for Group Needs

- Set standards by personal example.
- Maintain discipline and correct mistakes.
- Build team spirit.
- Encourage, motivate, and give a sense of purpose.
- Ensure communication within the group.
- Train and develop the group.

Functions for Individual Needs

- Attend to personal problems.
- Appreciate and praise individuals.
- Know individuals personally.
- Recognize and use individual abilities.
- Train and develop persons

In actual practice, these functions are not performed separately as listed above. Most of these functions are integrated in the following steps:

- Develop clear goals to be achieved and tasks to be performed.
- Plan to achieve the task by using the available resources and people.
- Control by monitoring the work and modifying the plan, if necessary.
- Support by encouragement, recognition and developing people.

setting a direction to pursue. The leader manager creates vision and defines goals while communicating them to the followers in such a way that they can understand, own and commit to it.

- **Planner and resource-mobilizer:** In order to translate the vision into reality, the leader manager develops plans and programs and also mobilizes resources to implement them.
- **Change agent:** The leader manager recognizes the need and opportunity for change and initiates, sponsors and manages the process of change in the organization or in the group for its continuous development and effectiveness.
- **Linkage builder:** This means establishing and managing relationships with the stakeholders and other external groups and organizations. The leader manager represents the group or the organization and negotiates issues on its behalf.
- **Information handler:** By virtue of his/her position, the leader manager works as the hub of the information flow in the organization or the group. He/she receives, processes uses and disseminates information.
- **Decision-maker and problem-solver:** The position of the leader manager requires him/her taking major decisions for the organization or the group and addressing its major problems.
- **Supporter, motivator and developer:** This involves people related responsibilities to guide and direct the followers, coach, develop and empower them, motivate, encourage and inspire, and provide supports, feedback and resources so as to keep them focused on the task while feeling good about it.
- **Performance monitor and reward provider:** The leader manager is the monitor of performance of individuals, groups and the overall organization. He/she should set performance standards, continuously monitor performance against the set standards, and reward and reinforce good performance while disciplining the poor performers.

Effective Behaviors and Practices of Leader Managers

The experience-based literature on effective leadership and management has focused on what in practice effective leaders and managers do as they lead and manage their groups or organizations. Some of the important behaviors and practices that effective leader managers use in real life contexts are:

- Participatory goal setting and sharing/ consulting ideas.
- Trusting and maintaining relationship.
- Communicating to and guiding the followers.
- Appreciating and rewarding for achievement and efforts in visible and personal ways.
- Encouraging, motivating and energizing people.

- Providing a positive emotional atmosphere.
- Expressing confidence.
- Fostering initiative and responsibility
- Building on success.

As can be noticed, these behaviors pertain to both the task the group or the organization must achieve and the people who perform the task. Hence, they meet task needs as well as people (individual and group) needs.

While there is no guarantee that these practices automatically result in successful achievement of the organizational or group goals, there is some evidence that these behaviors of leader managers create positive condition for the people to pursue the set goals and perform better. They may be used as a practical framework for developing leadership and management behaviors in organizations.

Competencies of Leader Managers

A more direct approach to understanding leadership and management is to look at the competencies that leader managers should possess for effective performance. This will help develop leader managers in organizations. A competency is a set of abilities, attitudes, motives, knowledge, skills and behaviors leading to effective or superior performance within a context. For effective performance, leader managers need several competencies, and it is not possible to list them all.

There are several approaches to identifying the competencies necessary for effective performance by leader managers. Practitioner-oriented literature identifies the following competencies as being critical for leadership and management effectiveness:

- Cultural flexibility
- Communication skills
- Human resource development skills
- Creativity
- Self management of learning

Some studies of highly effective leader managers have come up with the following list of competencies:

- Participative and human relations skills
- Competitiveness and control
- Innovativeness and entrepreneurship

understanding and developing effective leader managers.

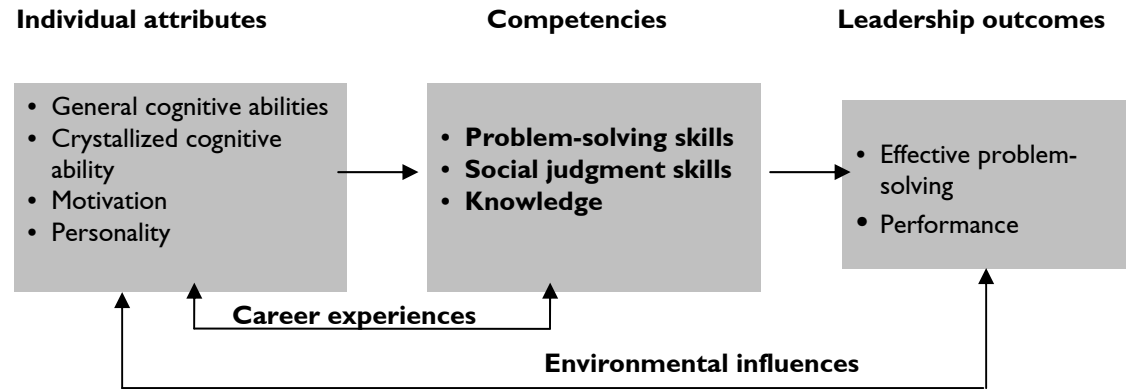


Fig. 2: Model of Leadership Competencies

Competencies

- Problem-solving skills: creative ability to solve new and unusual, ill-defined problems - defining problem, gathering information, formulating new understanding of the problem, generating plans for problem solutions.
- Social judgment skills: capacity to understand people and social systems - perspective taking, social perspectiveness, behavioral flexibility, and social performance.
- Knowledge: accumulation of information and the mental structure to organize the information.

Individual Attributes

- General cognitive abilities: intelligence: information processing, reasoning skills, creative and divergent thinking, memory.
- Crystallized cognitive ability: intellectual ability learned over time.
- Motivation: willingness to lead - tackle complex organizational problems, exert influence, the social good.
- Personality: openness, tolerance for ambiguity, confidence, adaptability.

Career Experiences

- Challenging job assignments
- Mentoring
- Appropriate training

As the model suggests, at the core of competencies of effective leader managers are problem-solving skills, social judgment skills, and knowledge. These skills are influenced by several personal attributes and lead to successful leadership and management outcomes. Two other variables influence the leadership competencies and outcomes. Career experiences of leader managers affect the nature of personal attributes and competencies. Similarly, environmental influences shape personal attributes of leader managers and the outcomes of their leadership and management.

Effective Styles of Leader Managers

Perhaps the most widely used concept to understand and develop leadership and management effectiveness is the style of leader managers. The style is the pattern of behaviors a leader manager uses to influence the followers as perceived by them. The appropriateness of the style is a major determinant of the effectiveness of leader managers.

There are various models of styles that explain how leader managers differ in terms of the way they exercise their influence over others. One approach is to describe styles in terms of a continuum of decision- making and communication behaviors ranging from the leader- centered leadership to the subordinate- centered leadership. The range of styles is as given in Fig. 2.

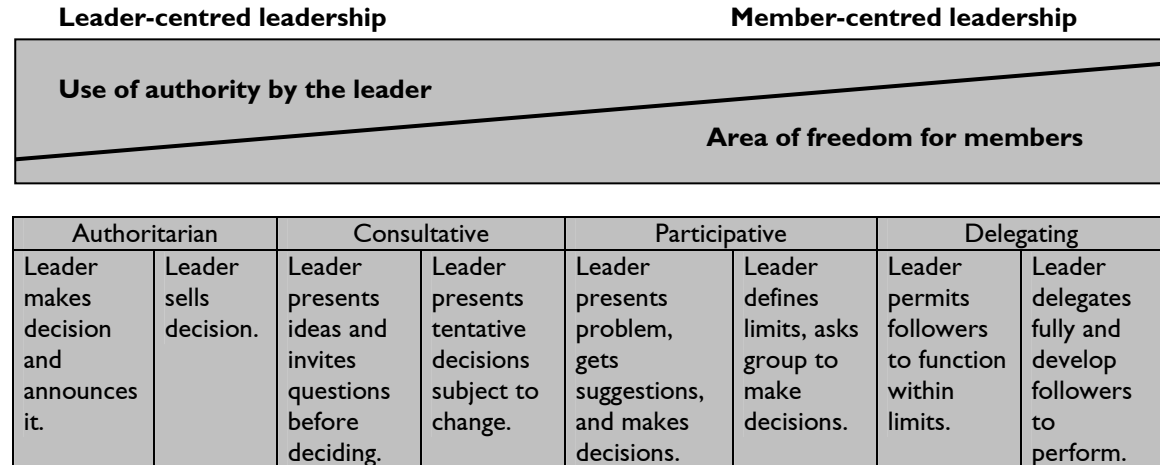


Fig. 2: Decision-making and Communication Styles

The **authoritarian style** is demonstrated when the leader tells the followers what is to be done and how it is to be done, without seeking advices. This is appropriate to use it are when the leader has all the information to solve the problem, he/she is short on time, and the subordinates are well motivated.

However, if there is time and the leader wants to gain more commitment and motivation from them, then the **consultative** or **participative styles** are to be used. The leader managers using the consultative and participative styles involve the subordinates in the decision-making process, but the final decision is made by the leader.

In the **delegating style**, the leader allows the employees to make the decision. However, the leader is still responsible for the decisions that are made. This is used when employees are able to analyze the situation and determine what needs to be done and how to do it. The leader cannot do everything! He/she must set priorities and delegate certain tasks.

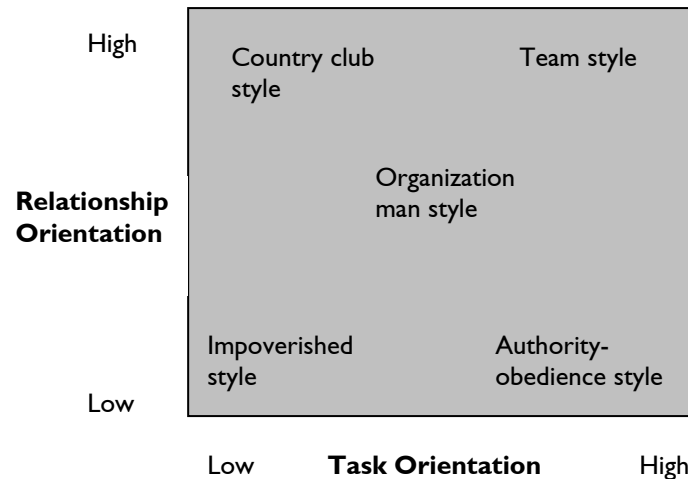


Fig. 3: Priority Styles

Another approach is to identify styles in terms of the priority given by the leader or manager toward task completion or relationships with followers. Some leaders are more concerned with task completion while others give priority to relationships. Based on these priorities, five different styles can be identified as shown in Fig.3.

The **impoverished style** (low task, low relationship orientation) involves a "delegate and disappear" approach. Since these leader managers are not committed to either task accomplishment or

maintenance, they essentially allow their team to do whatever it wishes and prefer to detach them from the team process by allowing the team to suffer from a series of power struggles.

The leader managers with the **authority-obedience style** (high task, low people relationship orientation) are very much task oriented and are hard on their workers. There is little or no allowance for cooperation or collaboration. Heavily task oriented people display these characteristics: they are very strong on schedules; they expect people to do what they are told without question or debate; when something goes wrong they tend to focus on who is to blame rather than concentrate on exactly what is wrong and how to prevent it; they are intolerant of what they see as dissent (it may just be someone's creativity), so it is difficult for their subordinates to contribute or develop.

The leader managers with the **country club style** (low task, high people relationship orientation) use predominantly reward power to maintain discipline and to encourage the team to accomplish its goals. Conversely, they are almost incapable of employing the more punitive coercive and legitimate powers. This inability results from the fear that using such powers could jeopardize relationships with the other team members.

The **organization man style** (moderate task, moderate people relationship orientation) involves leading and managing with modest focus on both the task and the people. It is only half-way approach to moving towards the **team style** (high task, high people relationship orientation). The team style leader managers

impoverished leader, one allows the team to gain self-reliance. Being an authoritarian leader can instill a sense of discipline in an unmotivated worker. One needs to carefully study the situation and the forces affecting it, in order balance the task and people concerns to achieve the desired result. This is the situation perspective on leadership and management effectiveness.

Situational Style: An Effective Approach for Leader Managers

Effective leader managers are those who are able to use the situational style. The basic contention here is that there is no best or right style of leadership. Leadership and management styles should vary across situations. Different situations demand different kinds of leadership and management practices. Different styles are effective or ineffective in different situations. Effective leader managers should adapt their behaviors to meet the demands of their unique situation, depending on the nature of the situation.

The most important factor determining the effectiveness of leadership and management style is the **behaviors of leader managers** and the **level of subordinates' development**. The leader manager typically uses two core behavioral patterns: directive and supportive behaviors. **Directive/ task behavior** is the extent to which a leader manager engages in one-way communication by explaining what to do as well as where, when and how to achieve task goals (structures/ guides, controls and supervises). It includes: setting goals and objectives, planning and organizing work in advance, constantly communicating job priorities, clarifying roles, setting timelines, determining methods of evaluation, showing or telling how to do a specific task, and checking work.

Supportive behavior is the extent to which a leader engages in two-way communication by providing socio-emotional supports (listens, praises, facilitates). It includes: listening to the follower's problems (job or non-job related), praising the follower, asking for suggestions or input, encouraging or reassuring the follower, communicates information about the total organization's operations, disclosing information about self, and facilitating follower problem solving.

A combination of these two behaviors makes it possible to use four leadership and management styles as shown in Fig. 4. The four styles vary in terms of the amount of direction the leader provides, amount of support the leader provides, and amount of subordinate involvement in decision making.

The **directing style** (S1) involves such behaviors as: identifying problems, setting goals and defines roles, developing action plans to solve problems, controlling decision making about what, how, when and with whom, providing specific directions and engages largely in one way communication, initiating problem solving and decision making, announcing solutions and decisions, and supervising and evaluating the work of followers.

The **coaching style** (S2) includes: identifying problems, setting goals, developing action plans to solve

requested, sharing responsibility for problem solving and decision making with followers, listening and facilitating followers' problem solving and decision making, and working with followers to evaluate their work.

The **delegating style** (S4) involves: defining problems with followers, setting goals collaboratively, allowing followers to develop action plans and to control decision making about the problem and how it is to be solved, only periodically monitoring followers performance, allowing followers to evaluate own work, and allowing followers to take responsibility and receive credit. In all four styles, the leader manager sets goals, observes and monitors performance, and gives feedback.

The **development level of subordinates** or followers is the degree to which they have the competence (knowledge or skill gained from education, training and experience) and commitment (confidence and motivation) relative to a task or job. For simplicity sake, they can be place in four levels of development as follows:

- D1: low competence, high commitment
- D2: some competence, low commitment
- D3: high competence, variable commitment
- D4: high competence, high commitment

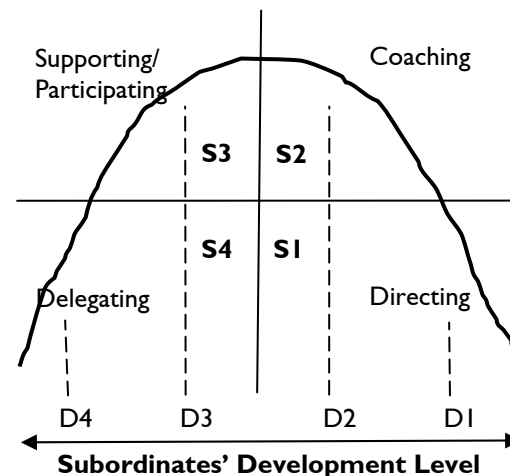


Fig. 4: Situational Leadership Match

The person at the D1 level is usually new to the job/task and has low previous experience and skills but enthusiastic and excited and ready to learn. After a while, the person finds the task either difficult to learn or less interesting than anticipated. He/she picks up some skills and experience but demonstrates less commitment. This is the D2 level of development. At the D3 level, individuals have moderate to high skills but not sure if they can achieve the task, hence they have variable commitment. With support, training and further experience, individuals reach the D4 level. Organizational/ team members move forward and backward along the development continuum with the change in the job or responsibilities. For example, when a new responsibility is given to an experienced and committed person (D4 level), he/she may slip down to D2 or even D1, if the job is different than before and the person does not have any experience of that kind of work.

diagnosing each individual's level of development relative to the given task and choosing a style that fits in with the level. It means that effective leader managers are able to show flexibility in the use of styles.

Some useful diagnostic questions to assess the level of development of organizational or group members are:

- What is the task to be performed by subordinates?
- How complicated is the task?
- Are they sufficiently skilled to accomplish the task?
- Do they have the desire to complete the job?

As shown in Fig. 4, the following are the appropriate matches between the styles and the development levels.

- D1: Provide direction (directing style)
- D2: Provide direction and support (coaching style)
- D3: Provide support (supporting style)
- D4: No need for both (delegating style)

The basic criteria for the selection of appropriate style is that as the level of development increases in relation to a task, one should reduce directive behavior and increase relationship behavior until a moderate level. Above average level, it is appropriate to reduce both as they have both competence and commitment.

Since the level of development of people keeps on changing as a result of new assignment or placement, experience and training, the leader manager should also keep on changing the style accordingly. Within a group, a leader manager will have members with different levels of development. Hence, he/she should use varying styles to lead and manage them. It means that the leader manager should flexibly use the styles across situations in order to be effective.

In addition to the level of development of subordinates, other situational variables also influence the appropriateness of a style in a given situation as shown in Fig.5.

Practices of Transformational Leaders

In the complex, changing and competitive environment of today, organizational leadership and management needs leader managers who are capable of transforming the organization and its members from the present

Good	Structured	Strong	Task-oriented
Good	Structured	Weak	Task-oriented
Good	Unstructured	Strong	Task-oriented
Good	Unstructured	Weak	Relation-oriented
Poor	Structured	Strong	Relation-oriented
Poor	Structured	Weak	Relation-oriented
Poor	Unstructured	Strong	Either
Poor	Unstructured	Weak	Task-oriented

Fig. 5: Situational Variables and Effective Styles

Transformational leaders are exemplary, visionary, and charismatic. They:

- Provide a vision for transformed individuals and organization as well as the passion and skills to develop it;
- Inspire followers to transcend self- interest for organizational good and to give extraordinary performance; and
- Shift the values, needs, and capability of followers and enable them for a new height of performance;

The core factors determining transformational leadership include:

- Idealized influence or charisma (provides a strong role model, vision and a sense of mission, demonstrates high standards of model and ethical conduct, and instills pride, gains respect and trust).
- Inspirational motivation (communicates high expectations, inspire to become a part of the shared vision, uses symbols to focus efforts)
- Intellectual stimulation (stimulates to be creative, to challenge beliefs and values, and to think through the problems)
- Individualized consideration (provides supportive climate, gives personal attention, coaches, advises)

In the recent times, there has been considerable interest in and research on transformational leadership. Some of the important qualities and attributes of a transformational leader, as identified through studies, include:

- Perceived role of a change agent.
- Visionary having trust in his/her intuition.

- Demonstration of passion, self-sacrifice, confidence, determination, and persistence.
- Inspirational communicator.
- Presentation of role model.

Studies have shown that transformation leader managers adopt practices different from ordinary leader managers. They

- Challenge the process: search for opportunities to grow and improve and experiment and take risks.
- Inspire a shared vision: envision an attractive future and enlist others in a common vision.
- Enable others to act: foster collaboration and strengthen others by sharing and increasing their visibility.
- Model the way: set an example by behaving in ways consistent with stated values and plan small wins.
- Encourage the heart: recognise others' contributions to the success and celebrate accomplishments.

Practices of Strategic Leaders

Another recent model for effective leader managers in organizations is that of strategic leadership. This concept is based on the seven basic practices of leader managers:

- Purpose and vision: strategic leaders must keep in mind the purpose and the vision of the organization, including mission, goals and objectives. This helps leaders to provide direction for the organization as a whole.
- Strategic thinking and planning: strategic leaders must have strategic thinking and planning for the organization. This saves hustles and helps in getting work done under planned period with accuracy.
- Operations and administration: strategic leaders must have the capacity to handle the overall executive responsibility. This helps in making things happen.
- Organization fitness to situational requirement: strategic leaders must be able to organize or reorganize the part or the whole structure of the organization in case they feel that the organization needs a different balance and the present structure is not the best suited or best fitted one for the organization and its well being.
- Energy, morale, confidence, and esprit de corps: strategic leaders must have the ability of releasing the corporate spirit and work accordingly.
- Alliance and partnering: strategic leaders must have the capacity of relating the organization to other organizations and society as a whole. This includes working in partnership with other organizations for capacity building in those fields in which the organization does not usually deal with.

extensive set of strategies focused on the behaviors, thoughts, and feelings that we use to exert influence over ourselves.

Self-leadership can be more broadly defined as "the process" of influencing oneself to establish the self-direction and self-motivation needed to perform. Research conducted across a variety of settings has shown that the practice of effective self-leadership by employees can lead to a plenty of benefits including improved job satisfaction, self-efficacy, and mental performance. Self-leadership involves "leading oneself" via the utilization of both behavioral and mental techniques.

Behavioral self-leadership techniques involve self-observation, self-goal-setting, management of antecedents to behavior (e.g., cues), modification of consequents to behavior (e.g., self-reinforcement, self-punishment), and the finding of natural rewards in tasks performed. Mental self-leadership techniques involve examination and alteration of self-dialogue, beliefs and assumptions, mental imagery, and thought patterns (habits in one's thinking).

Effective leader managers promote self-leadership in the organization, encouraging all organizational members to pursue self-leadership.

In your group, discuss one of the five given issues as assigned to your group and prepare your findings on the chart paper for presentation.

1. What are the personal and professional qualities necessary for effective leader managers in organizations, particularly in NGO type of organizations?
2. What are the functions leader managers have to perform for effectively leading and managing their organizations, particularly NGO type of organizations?
3. What are the roles leader managers have to perform for effectively leading and managing their organizations, particularly NGO type of organizations?
4. What are the behaviors and practice effective leader managers demonstrate for leading and managing their organizations, particularly NGO type of organizations?
5. What are the competencies required for effective leader managers so as to lead and manage their organizations successfully, particularly NGO type of organizations?

Individually complete the following leadership questionnaires. While completing the questionnaires, try to be as objective and sincere as possible. Respond each item or statement from the perspective of not "*What I would like to be in the given situation*", but "*What I am or what describes me best*".

1. General leadership and management behaviors
2. Leadership and management priority
3. Type of leadership

in relation to each leadership practice given in the questionnaire. In responding to each statement, put yourself in your real leader manager position in your organization and think how you tend to respond in the related situations.

Leadership Behaviors	Firmly believe	Favor	Disfavor	Strongly opposed
1. Closely supervise staff at all times.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Encourage staff to set their own goals and standards.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Allow staff to take on increasing responsibility.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Make sure staff know punishment for “non-performance” will be severe.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Continually push staff to achieve targets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Spell out directions in great detail.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Let staff plan their own work as much as possible.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Keep worries about the organization to oneself.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Allow staff to make important decisions by themselves.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Always seek ways to develop staff skills, and broaden their contributions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

scale, decide the extent to which it actually applies to you. For best results, answer as truthfully as possible.

Never Sometimes Always

0 1 2 3 4 5

1	_____	I encourage my team to participate when it comes decision making time and I try to implement their ideas and suggestions whenever possible.
2	_____	Nothing is more important than accomplishing a goal or task.
3	_____	I closely monitor the schedule to ensure a task or project will be completed in time.
4	_____	I enjoy coaching and helping people on new tasks and procedures.
5	_____	The more challenging a task is, the more I enjoy it.
6	_____	I encourage my employees to be creative about their job.
7	_____	When seeing a complex task to completion, I ensure that every detail is accounted for.
8	_____	I find it easy to carry out several complicated tasks at the same time.
9	_____	I enjoy reading articles, books, and journals about training, leadership, and psychology; and then putting what I have read into action.
10	_____	When correcting mistakes, I do not worry about jeopardizing relationships.
11	_____	I manage my time very efficiently.
12	_____	I enjoy explaining the intricacies and details of a complex task or project to my employees.
13	_____	Breaking large projects into small manageable tasks is second nature to me.
14	_____	Nothing is more important than building a great team.
15	_____	I enjoy analyzing problems.
16	_____	I honor other people's boundaries.
17	_____	Counseling my employees to improve their performance or behavior is second-nature to me.
18	_____	I enjoy reading articles, books, journals and publications about my profession; and then implementing the new procedures I have learned.

beliefs, perceptions of yourself, or according to which of the two statements characterize you better. The five points may be divided in any way: e.g. 5 for A and 0 for B; 3 for A and 2 for B; 1 for A and 4 for B etc.

1	____A	As leader I have a primary mission of maintaining stability.
	____B	As leader I have a primary mission of change.
2	____A	As leader I must cause events.
	____B	As leader I must facilitate events.
3	____A	I am concerned that my followers are rewarded equitably for their work.
	____B	I am concerned about what my followers want in life.
4	____A	My preference is to think long range: What might be.
	____B	My preference is to think short range: What is realistic.
5	____A	As leader I spend considerable energy in managing separate but related goals.
	____B	As leader I spend considerable energy in arousing hopes, expectations, and aspirations among my followers..
6	____A	While not a formal classroom sense, I believe that a significant part of my leadership is that of teacher.
	____B	I believe that a significant part of my leadership is that of facilitator.
7	____A	As leader I must engage with followers at an equal level of morality.
	____B	As leader I must represent a higher morality.
8	____A	I enjoy stimulating followers to want to do more.
	____B	I enjoy rewarding followers for a job well done.
9	____A	Leadership should be practical.
	____B	Leadership should be inspirational.
10	____A	What power I have to influence others comes primarily from my ability to get people to identify with me and my ideas.
	____B	What power I have to influence others comes primarily from my status and position.

MANAGEMENT BEHAVIORS

In the assigned groups or individually, analyze the patterns of leadership and management behaviors in your organization and prepare its profile by discussing and answering the questions given below.

1. Who are the main leader managers in your organization? List them (the list may include you too). Focus on them and answer the following questions based on your analysis of the way they lead and manage the organization.
2. What are the personal and professional qualities of the leader managers in your organization? List them against the qualities stated in Handout 3.2 and assess how effective are they in relation to the needs of your organization.
3. What are the functions the leader managers perform in your organization? List them against the functions stated in Handout 3.2 and assess how effective are they in relation to the needs of your organization.
4. What are the roles the leader managers perform in your organization? List them against the roles stated in Handout 3.2 and assess how effective are they in relation to the needs of your organization.
5. What are the practices the leader managers adopt in your organization? List them against the behaviors and practices stated in Handout 3.2 and assess how effective are they in relation to the needs of your organization.
6. What are the competencies of the leader managers perform in your organization? List them against the competencies stated in Handout 3.2 and assess how adequate are they in relation to the needs of your organization.

In the assigned groups, analyze the following mini cases/ situations. Identify the development levels of persons in each case and the appropriate leadership style in each case.

Situation 1

Because of budget restrictions imposed on your department, it is necessary to consolidate and integrate many programs and activities. You are thinking of asking a highly capable and experienced member of your department to take charge of the consolidation. This person has worked in all areas of your department and has the trust and respect of most of the staff. She is very willing to help with the consolidation.

What is the development level of the person you have chosen? _____

Which action (i.e. style) would you take? _____

1. Assign the project to her and let her determine how to accomplish it.
2. Assign the task to her, indicate to her precisely what must be done, and supervise her work closely.
3. Assign the task to her and provide support and encouragement as needed.
4. Assign the task to her and indicate to her precisely what needs to be done but make sure you incorporate her suggestions.

Situation 2

You have recently been made a department head of the new regional office. In getting to know your departmental staff, you have noticed that one of your inexperienced employees is not following through on assigned tasks. He is enthusiastic about the new job and wants to get head in the organization.

What is the development level of the person you have chosen? _____

Which action (i.e. style) would you take? _____

1. Discuss the lack of follow-through with her and explore the alternative ways this problem can be solved.
2. Specify what she must do to complete the tasks but incorporate any suggestions she may have.
3. Define the steps necessary to complete the assigned asks and monitor her performance frequently.
4. Let her know about the lack of follow-through and give her more time to improve her performance.

Situation 3

Because of a new and very important project, for the past three months you have made sure that your staff members understood their responsibilities and expected level of performance, and you have supervised them closely. Due to some project setbacks recently, your staffs have become somewhat discouraged.

3. Continue to define group activities, but involve the group members more in decision making and incorporate their ideas.
4. Participate in their problem solving activities and encourage and support their efforts to overcome the project setbacks.

Situation 4

As a director of the fund raising department, you have asked a member of your staff to take charge of new fund raising campaign. You have worked with this person on other fund raising campaigns, and you know he has the job knowledge and experience to be successful at new assignments. However, he seems a little unsure about his ability to do the job.

What is the development level of the person you have chosen? _____

Which action (i.e. style) would you take? _____

1. Assign the new fund raising campaign to him and let him function on his own.
2. Set goals and objectives for this new assignment but consider his suggestions and involve him in decision making.
3. Listen to his concerns but assure him he can do the job and support his efforts.
4. Tell him exactly what the new campaign involves, what you expect of him, and supervise him closely.

Case: What Style Do I Use?

Bharat Chhetri is the chief executive officer of a 10-year-old NGO that employs about 20 people. The organization is composed of essentially three areas: fund raising, training, and operations. For each of these areas, there is one manager.

Rohit Nakarmi heads up the fund raising staffs. He is a seasoned fund manager and is the oldest employee in the company (he is 55 years old). Rohit was hired because of his fund raising ability and because of his experience. Prior to joining the company, Rohit worked for 20 years as a fund raiser for another NGO. He is perceived by his co-workers as very competent, even-tempered, and interested in the company. Rohit has been spending most of his time in recent weeks on developing a long-range fund raising plan.

Babita Aryal heads up the training unit, which is the smallest unit in the organization. Babita is the most recent hire in the organization and has 15 years of training experience in a different type of organization. Babita is seen by her peers as highly motivated but not too knowledgeable regarding the nature of the organization's activities. Babita's goal is to increase the organization's human resource capability. However, the half-yearly report indicates almost no increase in such capability. Although Babita has been enthusiastic since the first day, in recent weeks there have been problems in her department.

hard work. His goal is to streamline operations and decrease costs by 10 percent. He knows operations backward and forward but is a bit apprehensive about his new role as operations manager. In fact, Saroj is afraid he might fail as manager. He does not know if he is ready to have others depend on him when he has always been the one depending on others. The CEO, Bharat, has great faith in Saroj and has had several meetings with him to clarify his role and reassure him that he can do the work. He is certain that Saroj will be an outstanding operations manager.

Questions

1. How would you place the three managers in regard to levels of development according to the situational leadership model?
2. If you were Bharat Chhetri, would you act the same or differently toward each of the three managers? Which leader manager styles would you use with each of them? Why?

Work individually. Identify your style as a leader manager, diagnose the development level of your subordinates, and assess the appropriateness of your style in the context of the development level of subordinates.

1. List your behaviors and practices as a leader manager on the two dimensions: direction to the subordinates (directive behaviors) and supports to them (supportive behaviors). Refer to Handout 3.2 for generating the list. Based on the list you prepare, identify which one of the four situational styles (viz.: directing, coaching, supporting, and delegating) you are inclined to use most of the time. Also identify the second most frequently used style.
2. List the subordinates directly working under you. For each of them, identify their development level using the criteria given in Handout 3.2.
3. Assess the match between your dominant styles (the most frequently used and the second most frequently used) and the development levels of your subordinates. With whom there is match? With whom there is no match? Do you use your style flexibly to suit the development level of your subordinates? What difficulties you have in matching the style?
4. Based on the analysis, what improvements you need to make to improve the effectiveness of your situational style? How do you plan to improve it?

APPROACHES

Work individually. Develop an outline plan on how you intend to use the newer leadership approaches in exercising leadership and management in your organization.

1. How do you plan to use the practices of transformational leadership in exercising leadership and management in your organization?
2. How do you plan to use the practices of strategic leadership in exercising leadership and management in your organization?
3. How do you plan to use and promote the practices of self-leadership in exercising leadership and management in your organization?
4. What improvements will the application of these newer leadership approaches bring about in the development of your organizations?
5. What difficulties you may face in using these approaches? How can you overcome them?

IMPROVING TEAM EFFECTIVENESS



Time:

Three hours



..... Why do this Activity?

Leadership is a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent. One of the key tasks of a leader manager is to build a team out of a group of people. Leader managers should not think of themselves as the boss or managers, but as "team leaders". Ability to form effective team ensures that organizational goals and objectives are accomplished. This activity helps us understand basics of team building to ensure effective leadership and management in an organization.

..... Learning Objective

- Describe the various aspects of improving team effectiveness and use systematic procedures for developing teams for developing organization.

..... How to do the Activity?

Note

Make all necessary preparations before the start of the activity. Open up the activity following the general guidelines for facilitators.

Step I: 60 minutes

Presentation/
discussion

Using visuals, briefly introduce the basic concepts and aspects of team effectiveness. Facilitate a general discussion on how these concepts and aspects are actually being applied in their organizations.

Group
exercise

Ask participants from the same organization to form a group for the assignment. If there is just one participant from an organization, he/she should work on his/her own. Hand out Assignment Sheet 3.3 (a) to them. Ask them to identify and list down various forms of teams within their respective organizations. Ask the groups to choose a particular instance when a team was formed within their organization. Ask each group to discuss, recall and list down

Note

The idea here is not to have a detailed analysis of the formation and operation of teams. Use the findings of the groups to reinforce the basic concepts and aspects of team effectiveness.

Step 2: 60 minutes

Case discussion

Ask participants from the same organization to form a group for the assignment. If there is just one participant from an organization, he/she should work on his/her own. Give them the case exercise *Bal Sarokar Kendra* (Case Exercise 3.1). Ask them to discuss in the groups the issues given at the end of the case and to record their findings on chart papers. Ask each group to identify a similar situation with respect to their organization. Ask them to note how they went about handling the situation and to compare it with the case.

Plenary

Assemble the groups. Have each group present their findings, taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each others findings.

Note

While facilitating discussions ensure that for this activity participants discuss and elaborate their responses. To focus the participants discussion during the group work use of material in the Handout 3.3. can be utilized.

Step 3: 60 minutes

Presentation/
discussion

Using visuals, briefly introduce the **basic concepts and aspects of team building**. Facilitate a general discussion on the steps needed to be taken while building up the team and the person who has to take the lead role in building up teams

Group exercise

Ask participants from the same organization to form a group for the assignment. If there is just one participant from an organization, he/she should work on his/her own. Hand out Assignment Sheet 3.3 (b) to them. Ask them to assess the need for team building in their organization. Ask them to plan a process of building their team based on the needs identified.

Plenary

Assemble the groups. Have them briefly share their findings, taking their turn. Discuss the outputs of the group work encouraging each group to clarify, comment, and critique each others findings.

Note

Stress that the purpose in this assignment is to have a quick assessment of a high level team in their organizations and identify some needs for improving effectiveness. The real needs may be more diverse and comprehensive, which should be identified by using additional methods such as group diagnosis. Similarly, the team building plan is just for an example. It may not be complete or comprehensive. Encourage participants to assess the effectiveness



Materials

- Chart papers, markers, flipchart board, white board, overhead projector and transparencies of visuals.
- Copies of handouts for each participant.
- Copies of assignment sheet for each participant.



Handouts

- Handout 3.3: Improving Team Effectiveness
- Assignment Sheet 3.3(a): Analysis of a Real Team
- Case Exercise 3.1: Bal Sarokar Kendra
- Assignment Sheet 3.3(b):

One of the most important priorities of all leader managers is improving the effectiveness of the teams they lead and manage. It is through improving the capacity and performance of their teams that they can develop their organization. As a matter of fact, developing team effectiveness is both a process and goal of organization development.

Effective Teams

In recent years, teams have emerged as the most important group phenomenon and the widely used structure of implementing programs in organizations (e.g. work teams, project teams, temporary teams, and self- managed teams). Teams may be large or small, ad-hoc (such as a strategic planning team) or permanent (such as a standing committee or management unit).

A team is not merely a group of people working together for a common purpose. A team evolves and is developed from a group. Teams go beyond traditional formal work groups by having a collective, synergistic effect. A team is a **group of people with complementary skills who are committed to shared objectives, performance goals and approach for which they hold themselves mutually accountable and who must significantly relate to each other in order to accomplish the objectives.**

Importance given to teams in organizations is not without reason. Teamwork has several distinct benefits to all: organizational members, leader managers, and the organization itself. Teams enable employees, management and leadership to:

- Work collaboratively and spend less time managing conflict.
- Understand each other and each others' assignments better.
- Share information and ideas.
- Meet psychological needs for being with others.
- Develop and use specialization.
- Improve learning and decision-making
- Create synergy ($1+1=3$)
- Overcome individual biases and limitations.
- Reach their goals more quickly and produce better results.

Leader managers must also take note of the fact that teams do not automatically produce better results. Teams do not become effective merely by working together over a period of time. Where individuals come together from different cultures, having different ideas, expectations and feelings about why and how certain things should be done, there is a likelihood of conflict. This may make it difficult for the team to

improving team effectiveness, it is important that team leaders and managers understand the basic aspects of team functioning, dimensions of team effectiveness, roles of the team leader, and foundations of team work.

Aspects of Team Functioning

There are three core aspects of the functioning of a team as shown in Fig. 1. Each team must understand, develop and handle these three core elements that determine its effective functioning.

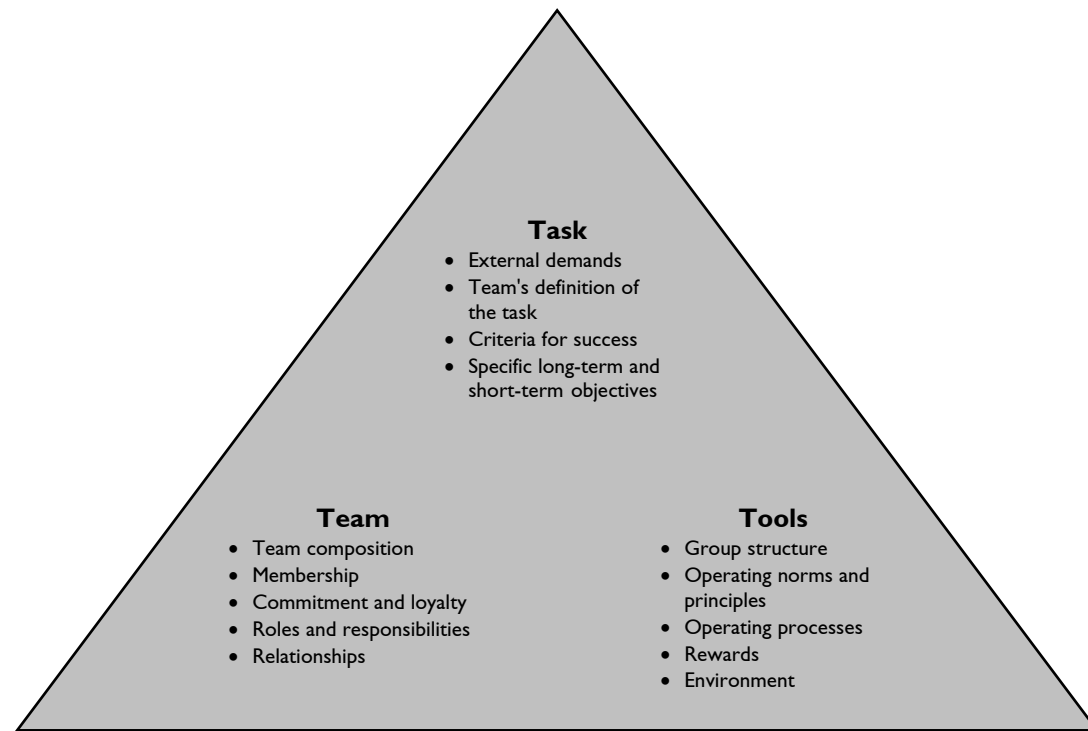


Fig. 1: Aspects of Team Functioning

A team's task must be defined in a way that enables all the members to know exactly what they are to accomplish. This can be done by explicitly discussing and understanding the following four factors: stakeholders and external demands on the team; the team's definition of the task; criteria for success in the tasks; and specific long-term and short-term objectives of the team.

The effective functioning of the team on its task depends on how the team is built. In particular, the following aspects of the team are to be carefully defined and decided: the team composition in terms of mix of skills, experiences and backgrounds; the number and qualities of membership; the commitment and loyalty required; the roles and responsibilities of all team members; and the relationships among the team members

An effective team demonstrates several distinct features that set it apart from a dysfunctional group. In particular, an effective team:

- Shares a sense of purpose, and is willing to work toward achieving common goal.
- Identifies its own resources, uses them, and willingly accepts leadership of the members whose resources are relevant.
- Continually tries to listen to and clarify what is being said and show interest in what others say and feel.
- Encourages differences of opinion and free expressions.
- Is willing to surface conflict and focus on it until it either is resolved or managed.
- Exerts energy toward problem solving rather than allowing it to be drained by interpersonal issues.
- Shares and maintains balance in roles to facilitate both the accomplishment of tasks and feelings of group cohesion and morale.
- Treats mistakes as sources of learning rather than reasons for punishment.
- Encourages risk taking and creativity.
- Is responsive to the changing needs of its members and to the external environment to which it is related.
- Commits to periodically evaluate the team's performance.
- Is attractive to its members, who identify with it and consider it a source of both professional and personal growth.
- Develops a climate of trust is recognized as the crucial element for facilitating all of the above elements.

Why a Team Performs Poorly?

A leader manager should be aware of and work on the reasons why a team performs poorly in order to improve team effectiveness. Some important reasons for poor performance are:

- Lack of agreement on objectives
- Poorly designed roles
- Ineffective communication
- Ineffective decision process
- Lack of appropriate leadership

There are three dimensions of an effective team: it accomplishes its goals (**task effectiveness**), maintains itself internally (**relationship/process effectiveness**), and develops and changes in ways that improve its effectiveness (**sustainability or future effectiveness**). A leader manager must ensure all these three effectiveness. A number of actions for achieving them are outlined below.

For task effectiveness:

- Establish and agree on objectives.
- Give and get commitment to tasks.
- Ensure balanced roles.
- Share responsibilities equitably.
- Develop skills and competencies.
- Combine and use abilities.
- Set appropriate standards and procedures.
- Review tasks and process regularly.
- Reward good performance.

For relationship/ process effectiveness:

- Increase the flow of communication.
- Increase involvement and participation.
- Develop cohesion, mutuality and trust.
- Establish and observe norms.
- Solve problems and decide jointly.
- Provide support and share resources.
- Ensure gains for every member.
- Delegate authority.

For future effectiveness

- Train and develop team members.
- Plan for achievement and review progress.
- Adapt to external and internal situations.

- Support and trust: team members go out of their way to help each other and are able to rely on the integrity and good intent of other members.
- Co-operation and conflict: effort is devoted to working together to resolve problems and differences of view are valued as useful aids to progress.
- Sound procedures: work methods and problem solving are effective, with clear communication between participants.
- Appropriate leadership: the team manager adopts a progressive and appropriate leadership style that meets the needs of individuals and helps the team to develop.
- Regular review: the team takes time to evaluate its behavior and learn from error or inadequacy.
- Individual development: team members are stretched and increase their skills and stature through membership.
- Sound inter-group relations: relationships with other groups are friendly, open, co-operative, and free from destructive competition.

Roles of the Team Leader

- Builder of a performance ethic: ensure opportunities for distinctive contributions and reward good performance.
- Goal setter of the team: ensure everyone knows where and how to go.
- Coach of the team members: ensure everyone benefit from unique ability
- Facilitator of team interactions: keep on track.
- Work contributor: do some real work - “hard contribution”.

Team Building

The managerial approach to improving team effectiveness is team building. Team building is the process of planned and deliberate actions to improve the way a work group accomplishes its tasks whilst diminishing difficulties which interfere with the team's competence and resourcefulness. Team building increases effectiveness of team and teamwork through:

- Better accomplishment of task.
- Enhancement of interpersonal and problem-solving skills.
- Maximum use of members' resourcefulness and contributions.
- Development of a high level of motivation to carry out group decisions.

is to improve team effectiveness.

Usually, the team building process focuses on the following main dimensions of team functioning:

- Goals of the team: e.g. setting new goals or revising them, developing understanding and acceptance of the goals etc.
- Roles and responsibilities of team members: e.g. analyzing or allocating the way work is performed by the team members.
- The process or the way the team is working: e.g. communication or decision making processes.
- The relationships among the team members: e.g. the interpersonal issues.

Team Building Steps

1. Identify team goals: What do we want to achieve?

- Discuss and clarify goals with members and agree on necessary planning issues or elements.
- Discuss what team members expect as a result of committing their time and energy to work on goal achievement.
- Review the goals to ensure that they are in line with organizational mission, mandate, and strategic directions.
- Identify the expected “life” or time period for the team.

2. Identifying and assigning roles: Who will perform what tasks?

- Define the roles that will be required to accomplish the goals.
- Identify all members’ skills and experiences.
- Check to determine if members have interest in particular roles.
- Use members’ skills and experiences to assign roles (not qualifications and positions).
- Assign the best person to each role.
- Orient members to each other's roles (to remove misconceptions about each other's roles).
- Determine that assigned roles will assist in accomplishing the goals.

- Develop clear, effective decision making processes (e.g., Do we vote openly or secretly? Do we rely on consensus?)
- Decide on how team members communicate with one another (e.g., Do we listen attentively until the member has aired his view and then give proper feedback? Do we respect each others point of view? Do we acknowledge all contributions?)

Sometimes problems occur that may render teams ineffective unless there is intervention. A leader or a manager should:

- Review whether the program, approach, or goal was properly established.
- Determine whether there has been a change in team leadership or leadership style.
- Ask the team to address key issues when beginning to work together.
- Clarify if there are new members and have they been initiated into the team (i.e., are they aware of team norms and goals?).
- Identify members' different skill areas.
- If necessary, reinforce the team's skill mix.

Conditions for Successful Team Building

- Leadership - committed to improve team performance, involved in team building activities, willing to take risks and prepared to examine own roles with respect to the team.
- Interdependence - working on important problems, issues or tasks in which everyone has a stake.
- Membership - committed to the effort, willingness to take responsibility for making it work, prepared to examine and critiquing the team's process and own performance.
- Joint decision - agreement by all members to participate.
- Equal influence - each member having a chance to influence the agenda.
- Structure - for interaction.
- Continuity - continuous diagnosis, action planning, implementation and review

In your group or individually, discuss the following issues and prepare for sharing with all participants.

1. Identify and list down various forms of teams within your organization.
2. Choose a particular instance when a team was formed within the organization. Discuss, recall and list down steps taken while forming that particular team.
3. What was the purpose and goals of the team formation? How was the team selected? How were the roles and tasks assigned to the team? How did the team member participate in setting procedures for the team to operate?
4. Assess the team in terms of the three aspects of team functioning: task, tool and team. Which of the elements of these three aspects were actually planned? How effectively were they planned?
5. How did the team perform? What characteristics of an effective team did the team exhibit? If the team was working poorly, what were the reasons? What are needed for the team to perform effectively?
6. How would you assess the teamwork of the team? Which building blocks of the team work were present and which ones were absent?

Bal Sarokar Kendra, an NGO working for the rights of the children and against child labor exploitation. It has won a grant to build a Child Shelter and must report on its progress before the launching date and a simultaneous donor visit (by the end of 3 months). The NGO Board mandated its Executive Director, Mr. Krishna Tamang and the Program Director, Ms. Sheela KC to take necessary action. Mr. Tamang invited the *Bal Sarokar Kendra's* departments of Program, Finance, Administration and key community leaders to a meeting to brief them on the program. He explained the program's purpose and the deadline to staff members and other participants. He then asked Ms. Sheela KC to brief the participants on the details of the program.

Community representatives established an implementation committee. At their first meeting, they elected a chairperson by voting and assigned supervisory roles to committee members with experience in different aspects of the shelter construction. A young volunteer from the community was requested to volunteer as the secretary and to take minutes. The committee members prepared tentative budgets and fixed meeting dates for each subsequent Saturday. Consultations with relevant experts were carried out before finalizing the budgets and timeline. A list of roles was generated and accordingly a list of skills required ensuring implementation of the project. Subsequent identification and hiring of people was carried out, wherever possible *Bal Sarokar Kendra's* personnel were assigned some specific roles and responsibilities.

The Program Director, Ms. KC was designated the committee's advisor and was present at all meetings, but she did not take over the chairperson's role. At the meetings the committee received progress reports from the supervisors, assessed progress, and determined next actions. It mandated a small sub-committee to plan for the launching ceremony and to submit their report for ratification. The chairperson encouraged all members' inputs in the meetings. It made all the important decisions by voting.

The committee successfully completed the Child Shelter by the deadline and was commended by the *Bal Sarokar Kendra*, which received a follow-up grant to implement further activities at the Shelter.

Tasks for the Group

1. What did the Executive Director do to ensure the program's success?
2. In your opinion, what role did the Chairperson play in ensuring the team's effectiveness?
3. How were different functions divided?
4. What are some of the problems that could have arisen to prevent the committee from meeting the deadline?
5. How would you describe the committee members' performance?

In your group or individually, choose a real team in your organization for analysis and development intervention (e.g. governing board or senior management team). You must be member(s) of the team you select to work on. Through discussion and reflection, assess the team with the help of the checklist given below. Identify the need for team building in their organization based on the findings of the questionnaire. Then plan a process of building the team based on the needs identified. While developing the plan for building the team, use the concepts and process of improving team effectiveness discussed in the session as much as possible.

1. How effectively the task of the team is designed (in terms of understanding of stakeholders and external demands, definition of the task, criteria for success, and specific long-term and short-term objectives)?
2. How effectively the tool or process of the team is designed (in terms of group structure, operating norms and principles, operating processes, rewards, and environment)?
3. How effectively the team is designed (in terms of team composition, membership, commitment and loyalty, roles and responsibilities, and relationships)?
4. How adequately the team demonstrates in its regular practices the following characteristics of an effective team?
 - Shares a sense of purpose, and is willing to work toward achieving common goal.
 - Identifies its own resources, uses them, and willingly accepts leadership of the members whose resources are relevant.
 - Continually tries to listen to and clarify what is being said and show interest in what others say and feel.
 - Encourages differences of opinion and free expressions.
 - Is willing to surface conflict and focus on it until it either is resolved or managed.
 - Exerts energy toward problem solving rather than allowing it to be drained by interpersonal issues.
 - Shares and maintains balance in roles to facilitate both the accomplishment of tasks and feelings of group cohesion and morale.
 - Treats mistakes as sources of learning rather than reasons for punishment.
 - Encourages risk taking and creativity.
 - Is responsive to the changing needs of its members and to the external environment to which it is related.
 - Commits to periodically evaluate the team's performance.
 - Is attractive to its members, who identify with it and consider it a source of both professional and

combining and using abilities, setting appropriate standards and procedures, reviewing tasks and process regularly, and rewarding good performance).

- Relationship/process effectiveness (e.g. increasing the flow of communication, increasing involvement and participation, developing cohesion, mutuality and trust, establishing and observing norms, solving problems and decide jointly, providing support and share resources, ensuring gains for every member, and delegating authority).
- Future effectiveness (e.g. training and developing team members, planning for achievement and reviewing progress, and adapting to external and internal situations).

6. How adequately the team is working on the major building blocks of effective teamwork in its regular practices (e.g. clear objectives and agreed goals, openness and confrontation, support and trust, co-operation and conflict, sound procedures, appropriate leadership, regular review, individual development, and sound inter-group relations)?
7. How effectively the leader is performing the roles of team leader (e.g. builder of a performance ethic, goal setter of the team, coach of the team members, facilitator of team interactions, and work contributor)?
8. What are the critical needs for improving the team's performance and effectiveness (based on the above assessment)?
9. What process and actions should be planned to address the needs and improve the team's effectiveness?

- A. Make sure that each participant has completed all the four learning units of this module.
- B. Have them take the exit test of the module.
- C. Work out the scores of the exit test for each participant. Share the scores with them. Lead a brief discussion on the enhanced competency of the group based on the grades.
- D. Assign the remedial actions for those participants who do not perform well in the exit test (i.e. if the score is less than 70 percent). The remedial actions should focus on those learning components of the module in which a participant performs poorly in the exit test. The remedial activities may include repeat study of the related reference materials, repeat exercises or repeat assignments, and individual tutoring by the trainer.
- E. Have participants prepare action plans or transfer activities as suggested in this section.

- A. Make copies in necessary number of the test questionnaire beforehand.
- B. Administer the test after the completion of the last learning unit of the module under standard conditions. The standard conditions are:
 - Time: 20 minutes
 - Modality: Closed book written test
 - Type: Trainer administered
- C. Explain the test procedures, including how to answer the questions.
- D. Work out test scores of participants immediately after the test. The key to scoring the test items is given in the User Guide.
- E. Share the score with participants.

Answer all 10 questions. The maximum time available is 20 minutes.

Q.1 An organization is a system of value creation. Which one of the following actions is not a way that an organization uses to create value? Circle the most accurate statement.

- a. It uses well established work methodology to operate.
- b. It chooses appropriate inputs for running its operations.
- c. It influences the beneficiaries to change their needs to match its services.
- d. It offers its services to the beneficiaries who need or want them.

Q.2 Below are given five examples of the core elements of an organization. Which core elements the examples can be identified with? Write the correct answers in the given space.

<u>Examples</u>	<u>Core Organizational Elements</u>
a. Mission and goals	_____
b. Shared norms	_____
c. Knowledge and skills	_____
d. Roles and policies	_____
e. Leaders and managers	_____

Q.3 One NGO has identified in its strategic plan that it wants to achieve the following:

“Organizational development and better management practices among groups or organizations working for community level economic development.”

This is an example of the organization's:

- a. Mission statement
- b. Goal statement
- c. Vision statement
- d. Strategy statement

Circle the most accurate statement.

Q.4 What are the two basic defining characteristics of a non-government organization which differentiate it from a public agency? Write the correct answers in the given space.

- a. _____
- b. _____

Q.5 As a system, an organization works with some components. Give one example each for the components listed below. Write the correct answers in the given space.

- Q.6 Which of the following statements cannot be taken as a direct implication of viewing and managing an organization as a system? Circle the most accurate statement.
- a. For organizations to be effective operation, they should give outputs of more value to the environment than the inputs they receive.
 - b. For effective performance, organizations must design its core components or parts in such a way that they are congruent or aligned with each other.
 - c. Organizations, as an entity separate from its owners and members, should ensure its organizational welfare and sustainability to continue to operate in future.
 - d. Organizations should explore various options and ways of achieving their purpose.

- Q.7 Which one of the following is not the main role and responsibility of a governing board in a non-government organization? Circle the most accurate statement.
- a. Fund raising
 - b. Executive selection and assessment
 - c. Fiscal responsibilities
 - d. Fund management

- Q.8 There are various determinants (organizational situations) and also the design options of the structure of an organization? Below are given some examples of the nature of the organizational situations. Which types of options of organization structure are appropriate for the given organizational situations? Match them in the space provided.

Organizational situations: Mature or stable stage of organizational life cycle; Multiple goals or goal diversity; Dynamic or unstable environment; Declining stage of organizational life cycle.

Design options: Flexible and decentralized structure; Centralized structure; Down sizing; Formal and differentiated structure; Differentiated and extended structure

<u>Organizational Situations</u>	<u>Design Options</u>
a. _____	_____
b. _____	_____
c. _____	_____
d. _____	_____

- Q.9 Which one of the following is jointly shared by the board and the chief executive officer? Circle the most accurate statement.
- a. Determination of strategic priorities
 - b. Staff management

- c. Group structure
- d. Operating processes
- e. External demands
- f. Team composition

	<u>Tasks</u>	<u>Team</u>	<u>Tools</u>
a.	_____	_____	_____
b.	_____	_____	_____
c.	_____	_____	_____

Q.11 Study the following statements carefully and identify which organizational concepts they define.
Write the correct answers in the given space..

- a. The process of influencing people for the achievement of organizational goals.
 - b. The act of applying various practices in order to combine in an efficient, effective and economical way various resources in the pursuit of certain goals.
 - c. Bringing activities of different persons or units into proper relation to each other to make certain that everything that needs to be done is done
- a. _____
- b. _____
- c. _____

Q.12 Which of the factors or elements given below are governing instruments and which ones are governance powers? Sort them into appropriate columns in the space provided.

- a. Policies and rules
- b. Revenue generation
- c. Agreements with others
- d. Regulations
- e. Enforcement
- f. Constitution or laws of the organization

<u>Governing Instruments</u>	<u>Governance Powers</u>
a. _____	_____
b. _____	_____
c. _____	_____
d. _____	_____

- c. Accountability of the leader and manager.
- d. Equity and fairness.

Q.14 Below is listed some basic attributes, orientations and behaviors of leaders and managers. Which ones of them are more closely associated with leaders and which ones with managers? Sort them into appropriate columns in the space provided.

- a. Commitment
- b. Control
- c. Systems, process and technology
- d. Initiating and originating
- e. Responding and reacting
- f. Directing
- g. Strategic opportunism
- h. Preferred future, principles, and purpose

Managers

Leaders

a.	_____	_____
b.	_____	_____
c.	_____	_____
d.	_____	_____

Q.15 Which of the following statements about the effective leadership style is more correct in the context of an organization? Circle the most accurate statement.

- a. Participatory leadership is effective.
- b. Delegating leadership is effective.
- c. There is no one best style of leadership.
- d. Leadership is not needed in non-government organizations.

Q.16 Which of the following statements come closer to the basic concept of governance in non-government organizations? Circle the most accurate statement.

- a. A system of coordinating organizational efforts towards a common direction.
- b. Management of the overall organization and its performance.
- c. Structure and systems that direct and control the organization as it pursues its goals.
- d. Relationship of the organization with the government agencies.

compulsory for all the participants for the completion of the module. However, participants may adapt the activities or change them in view of the specific needs or distinct situations of their organizations. Participants from one organization are to prepare and complete the transfer activities jointly.

- Make copies in necessary number of the action plan/ transfer activity sheet beforehand.
- Hand out the sheet to the participants after the completion of the last learning unit of the module.
- Ask them to work on the planned activities to adapt or change them, if necessary.
- Ask them to complete the blank parts of the action plan sheet.
- Explain the procedures, including how to complete and submit the outputs of the transfer activities. Stress that they should use the learning of the module and frequently refer to its materials and exercises for the completion of the planned activities.
- Agree on the time and mode for the submission of the outputs.
- Evaluate the outputs and give feedback to the participants about their performance in the transfer activities during the follow-up period. Identify and suggest areas for improvements.

Action Plan/ Transfer Activity Sheet

Name of Organization:

Name(s) of Participant(s):

Action	Output and Outcome	Time Frame	Responsibility	Support Needed	Remark
1. Assessment of core elements and nature of the organization (including environment, structure, ideology, embodiment of NGO characters, systems properties, governance, leadership, management, and teams functioning).	Organizational assessment report with identification of areas for improvement				
2. Redesign of organization structure (including functional units, roles hierarchy, authority structure, and coordination and control mechanisms).	Organization design report with organization chart and implementation plan				
3. Redesign of governance structure and systems (including board functions and roles, job descriptions of key board and executive positions, required competency profiles of board members and executives, board development plan, board – management role division, performance evaluation system of board and its members, plan for good governance).	Governance improvement report with implementation plan				
4. Redesign of management and leadership functions and practices (including streamlining of management functions and structures, leadership roles, leadership development plan, and team development plan).	Management and leadership improvement report with implementation plan				
5. Initiation of the implementation of the improvement plans.	Selected redesign proposals are in place and improved functioning of organization structures, governance systems, and management and leadership practices is visible.				

..... **Module Evaluation**

The module evaluation sheet for the participants follows in the next page.

- Make copies in necessary number of the module evaluation sheet beforehand.
- Hand out the sheet to the participants after the completion of the last learning unit of the module.
- Collect the completed sheets.
- Compile them and analyze the main findings.
- Use the findings as feedback for improving the module design and delivery in future.

Module One: Developing an Organization

Module Evaluation

Participant's Name: _____

Date: _____

Rate the various aspects of module design and delivery in terms of how you view them after the completion of the module. The rating scale is as follows:

-- -- very poor;

-- poor;

+ good;

+ + very good

	<u>Rating</u>	<u>Comments</u>
1. Usefulness of the objectives	[]	_____

2. Mastery of the objectives	[]	_____

3. Usefulness of the contents	[]	_____

4. Progression of subject matter	[]	_____

5. Modular structure	[]	_____

6. Applicability of learning matters	[]	_____

7. Facilitator's supports for learning	[]	_____

8. Opportunity for active participation	[]	_____

9. Quality of the examples	[]	_____

10. Quality of the exercises	[]	_____

User Guide

This section describes how to use the manual for implementing the module. It suggests guidelines for facilitating sessions. It also gives guidelines for scoring the various tests and indicates the correct answers for the tests.

..... How to Use the Module?

This training module is a part of the modular series on Organization Development Training. Hence it needs to be used together with the other modules in the series, although it can also be used as a stand – alone module for training NGO leaders and managers on the basic dimensions of organization development.

- Familiarize yourself with the contents and the structure of the module by reading the whole module.
- In particular, study the reference materials (handouts) in depth at the beginning for the understanding of the contents in detail. It is quite important for you to understand and absorb the contents before delivering the module.
- The module is organized into several sections. For the first time, read them in the sequence they are organized to be familiar with its structure.
- Read the About the Modular Series on Organization Development section first to get an overall view of the training program of which this module is a part.
- Read the Module Overview then, to get a detailed understanding of the focus and structure of the module. Read the other sections of the module selectively, this time in more detail and as required, absorbing the contents and guidelines presented in the manual.
- Adapt or adjust the various components of the module as designed in this module according to the specific needs of the group of participants you are handling and the particular context of the training program at any time. Take whatever is presented in the module as basic guidelines, and not as something which should be rigidly followed. It is possible, and even desirable, to make adjustments in the learning objectives, time allocation, session flow, exercises, and other aspects of the module design as per the specific needs.
- Make adaptations well ahead of the time of delivery, and document them.
- Prepare transparencies and other visuals for delivering the sessions based on the reference materials. It is important to visualize the presentation of core learning materials as much as possible for enhancing learning effectiveness.
- Make necessary copies of the exercise sheets, entry and exit test documents, participants' assessment sheet, and module and program evaluation sheets well in advance in required number.
- Make other necessary preparations, including the rehearsal of the sessions to build your confidence.

..... Guidelines for Session Facilitation

- If you have made any changes, note the changes in the session flow sheets at appropriate points. Make further preparations as required.
- Start each session with appropriate greeting, addressing, initial learner motivation/ climate setting activities, and. assessment of previous understanding of the learning theme.
- Make the sessions lively and interesting by bringing in appropriate examples, references, ideas, and facts in addition to what has been suggested in the manuals.
- Refer to the session flow sheets frequently while facilitating the sessions but avoid reading out of the manuals.
- Check time regularly but do not be obsessive with keeping everything within the suggested time frame. The time frame is given only as a suggested length of a particular part of the session. In reality the immediate need of the situation should be given priority. If you change the time allocation in the course of a session, you should however make necessary adjustment for the remaining part of the session to finish the session in time.
- Follow the methods and activities as suggested. But here again you should be flexible and innovative to adapt the methodology to the requirements of a particular situation.
- If you decide to use a different method or activity for a particular part of the learning theme, prepare or change exercise sheet in advance.
- Use the methods properly following all necessary steps and activities. For this you should have a thorough understanding of the basic focus and standard procedures of the method.
- Use the visuals and other supporting materials as much as possible but properly. For this you should have a thorough understanding of the handling techniques and standard procedures of the materials and equipment.
- Assess the learning level of the participants in each session as suggested. You may modify the assessment plan and use additional assessment techniques but make preparation in advance.
- Give feedback to the participants immediately after the assessment.
- During the session delivery, follow these techniques;
 - ⇒ Summaries and check understanding from time to time.
 - ⇒ Establish links between sub-topics and between sessions.
 - ⇒ At the time of moving into another learning sub-topic, give a clue about the topic you will be taking up next by previewing it.
 - ⇒ Remind the participants of the previous learning before you take up a new learning topic or sub-topic.

..... Scoring System of Entry and Exit Tests

Correct Answers

Q. 1 c

- Q. 2 a. Mission and goals – Organizational ideology
b. Shared norms – Culture and behavior
c. Knowledge and skills - Capacity
d. Roles and policies - Structures
e. Leaders and managers - People

Q. 3 d

- Q. 4 Any two of the following:
a. Defined and specific beneficiaries (not open to all)
b. Voluntary creation and self governance
c. Civil society base
d. Entrepreneurial management

- Q. 5 a. Input – Human or material resources, technology, information, need, supports or history of the organization (any one)
b. Conversion process – Social process and structure, managerial process and structure, technological process and structure (any one)
c. Output - Services, products, ideas, benefits, changes, impact, satisfaction (any one)
d. Environment – Any component of general and task environments

Q. 6 c

Q. 7 d

- Q. 8 a. Mature or stable stage of organizational life cycle – Formal and differentiated structure
b. Multiple goals or goal diversity – Differentiated and extended structure
c. Dynamic or unstable environment - Flexible and decentralized structure
d. Declining stage of organizational life cycle - Down sizing

- Q. 9 a
- Q. 10 Tasks - Specific long-term and short-term objectives, external demands
Team - Team composition, roles and responsibilities
Tools - Group structure, operating processes
- Q. 11 a. Leadership
b. Management
c. Coordination
- Q. 12 Governing instruments – Policies and rules, regulations, constitution or laws of the organization
Governing powers – Revenue generation, agreement with others, enforcement
- Q. 13 a
- Q. 14 Manager – Control, system, process and technology, responding and reacting, directing
Leader – Commitment, initiating and originating, strategic opportunism, preferred future, principles, and purpose
- Q. 15 c
- Q. 16 c

..... Scoring Keys

Unit Two

Assignment Sheet 2.6(b): Evaluating Good Governance in Organization

SCORE SHEET	Grades
0.85 -1.00 = Very Good	5: Very Good
0.65-0.84 = Good (room for improvement)	4: Good
0.50-0.64 = Fair (can do better)	3: Moderate
0.35-0.49 = Poor (more commitment and effort needed)	2: Poor
Less than 0.35 = Very Poor (something is wrong)	1: Very Poor

Unit Three

Assignment Sheet 3.2(b): Self Assessment of Leadership Behaviors

4. General Leadership and Management Behaviors

Score the items as below:

Statement	Firmly Believe	Favor	Disfavor	Strongly Opposed
1	0	1	2	3
2	3	2	1	0
3	3	2	1	0
4	0	1	2	3
5	0	1	2	3
6	0	1	2	3
7	3	2	2	0
8	0	1	1	3
9	3	2	1	0
10	3	2	1	0
SCORE (A+B+C+D) =	— A	— B	— C	— D

Interpretations

- **16 or above:** Has great leadership qualities.
- **12-16:** Has potential but need to pinpoint areas for improving leadership skills and working on them.
- **11 or below:** May need to continuously assess the style and choices as a leader and aspire to motivate, trust, and respect the staff more fully.

5. Leadership and Management Priority

Score the items as below:

<p>People Orientation:</p> <p>1. _____</p> <p>4. _____</p> <p>6. _____</p> <p>9. _____</p> <p>10. _____</p> <p>12. _____</p> <p>14. _____</p> <p>16. _____</p> <p>17. _____</p> <p>TOTAL _____ x 0.2 = _____</p> <p>(Multiply the Total by 0.2 to get your final score on people relationship orientation)</p>	<p>Task Orientation</p> <p>2. _____</p> <p>3. _____</p> <p>5. _____</p> <p>7. _____</p> <p>8. _____</p> <p>11. _____</p> <p>13. _____</p> <p>15. _____</p> <p>18. _____</p> <p>TOTAL _____ x 0.2 = _____</p> <p>(Multiply the Total by 0.2 to get your final score on task orientation)</p>
---	--

Plot your final scores on the graph below by drawing a horizontal line from the approximate people score (vertical axis) to the right of the matrix, and drawing a vertical line from the approximate task score on the horizontal axis to the top of the matrix. Then, draw two lines from each dot until they intersect.

People Orientation	9										
	8										
	7		Country Club					Team Leader			
	6										
	5				Organization Man						
	4										
	3										
	2		Impoverished					Authoritarian			
	1										
	0										
		0	1	2	3	4	5	6	7	8	9
Task Orientation											

Interpretations

The area of intersection is the leadership dimension that you operate out of.

6. Leadership and Management Type

Score the items as below:

Transformational	Transactional
1. B _____	1. A _____
2. A _____	2. B _____
3. B _____	3. A _____
4. A _____	4. B _____
5. B _____	5. A _____
6. A _____	6. B _____
7. B _____	7. A _____
8. A _____	8. B _____
9. B _____	9. A _____
10. A _____	10. B _____
TOTAL _____	TOTAL _____

Interpretations

The higher column total indicates you agree more with, and see yourself as more like, either a transformational leader or a transactional leader.

Assignment Sheet 3.2(d): Situational Leadership

Interpretations

Situation 1:

Development level: D4 (highly competent and committed)

Action: S4 (low supportive and low directive leadership) – i.e. Option A.

Situation 2

Development level: D1 (low competence and experience but highly motivated)

Action: S1 (low supportive and high directive leadership) – i.e. Option C

Situation 3

Development level: D2 (some experience and understanding of the task but loss of some motivation)

Action: S2 (high supportive and high directive leadership S2) – i.e. Option C

Situation 4

Development level: D3 (has skills for the job but apprehensive about his ability)

Action: S3: (high supportive and low directive leadership) – i.e. Option C