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THE DEVELOPMENT OF NON-PROFIT ORGANISATIONS[1]

A comprehensive definition of the third sector, based upon a number of different aspects, is the simple one formulated by Lester Salamon and Helmut Anheier for the purposes of a research project, in which the third sectors of 22 countries were compared. According to these authors, the third sector can be characterised by five basic criteria. You should be aware that they were defined for research purposes, and that they do not include informal, unregistered self-help groups in the third sector.

NON-GOVERNMENTAL, NON-PROFIT ORGANISATIONS:

1. Have a formal structure – they are formalised and institutionalised to a certain extent, and are therefore capable of entering into contractual relations, for example.

2. Are of a private (non-governmental) nature – that is, they are not a part of the public apparatus, and their boards of directors are not dominated by public administration officials.

However, this does not mean that they cannot close contracts with public institutions, receive government support, or rank government officials amongst their members.

3. Are not oriented towards making a profit that is to be distributed amongst owners. They respect the non-profit system of distributing funds. Any profit made is reinvested into programmes related to their main mission.

4. Are independent, functioning on the principle of self-determination. They are controlled neither by the government, nor by institutions other than themselves. After registration, their activities are governed by their founding statutes. They have their own control mechanisms implemented by the board of directors (or the supervisory board), or by their members.

5. Are of a voluntary nature (i.e. a certain amount of voluntary participation is present). This is true for both volunteer workers as well as board members. Organisations receive donations and non-material contributions in the form of unpaid work.

Two criteria are generally added to these basic characteristics which differentiate them from church-based organisations, political parties, and trade unions:

1. They are not religious in nature (i.e. their main objective is not to promote religion or engage in religious education).

2. They are not politically oriented (i.e. their main objective does not involve uniting political candidates, or attempting to achieve political power). Although this criterion eliminates political parties as such, it does not affect politically oriented civic associations.

THE 'LIFECYCLE' OF NON-PROFIT ORGANISATIONS

The 'lifecycle' of non-profit organisations brings to mind the phases of human life. Based upon certain criteria, organisations are able to determine (in the same way as humans) the point of development at which they currently find themselves, and the developmental crossroads that might face them. They are able to foresee issues that they may be forced to confront after taking correct or incorrect turnings at these crossroads, and after rising to the

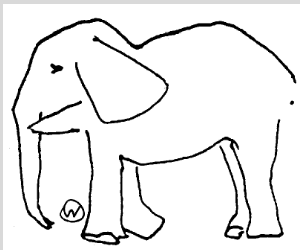
[1] Text is adopted form the publication: Ondrusek, D. (ed.) and Assoc.:A Reader for Non-Profit Organization, PDCS, 2003

highest level of development or sinking to the very lowest. Some decisive moments in the development of organisations may be clearly pinpointed. From the point of view of their members or less interested observers, these are moments that everyone remembers as being significant. For instance, when the organisation is awarded an important grant, the founder of the organisation leaves, the organisation establishes an offshoot with a new programme, etc.). Other decisive moments are harder to identify, because they do not take place in an instant and have more of an ongoing nature. These are not events that occurred on a particular date, and which people are able to recall from memory; in some cases, they may have been unaware that the situation was approaching a crisis for a long time. In such instances, changes take place through an accumulation of tendencies, which lead to a sudden rupture that is less evident and often unexpected. For example, an initially insignificant level of instability among employees may gradually increase to such an extent that it culminates in a total organisational upheaval. Or perhaps an organisation may gradually fulfil its original objective, lose clients accordingly, and ultimately lose its *raison d'être* as a consequence if it is unable to redefine this objective under altered conditions. Changes that shift organisations from one phase of development to another are not completely predictable[2]. However, if people underestimate unclear signals and the natural laws of evolution at the outset, they are later surprised that the workplace and the group of people that they had known so intimately up to that point suddenly seem to be different. They can change before one's very eyes in a very disturbing way, and in a way that one is almost completely incapable of controlling and managing. After periods of tranquillity and stable operation, an organisation can begin to change regardless of whether such a change is desired or not. This situation could be compared to an ever-widening river. The direction of its flow may be partially altered if its possible tendencies and boundaries are calculated in advance; however, in the same way as hydro-engineers, you should also come to terms with the fact that planning and management cannot go against the natural current. Too many artificial interventions can only lead to unexpected environmental results. Although nature and evolution are not easy to comprehend, effective planning should be based upon an understanding of natural development.

Planning and managing the development of an organisation is similar. Changes in the organisation can be handled much more easily if you learn from the frequently repeated phenomena and laws that may be observed throughout the organisation's development.

Box 1: Changes in organisations expressed as a curve – 'The Elephant'

Experts involved in the study of organizations use a very diverse vocabulary. However, they all agree with the assertion that changes in the transition of an organization from one stage to another may be expressed by a characteristic curve.



The curve may be humorously compared to an elephant in silhouette. The horizontal axis depicts the time scale, while the vertical axis depicts the qualitative development or decline of the organization. In the first part (figuratively speaking, the 'trunk'), the curve shows a shallow rise. After slight indecision, the curve begins to rise exponentially (in the area of the 'head' and the 'ears'), and after peaking, subsequently registers a slight, linear decline of a temporary nature. After a relatively long period of equilibrium (the 'back'), the crisis occurs (represented by the

[2] We have deliberately chosen not to speak of a 'higher' phase here, because this is not always the case.

elephant's rear end). The developmental crisis may culminate in another slight rise and a transition into another phase of development (with the 'tail' pointing upwards), or to a sharp decline, representing the collapse of the organization, or the transition of some parts of the organization to a lower level of development (a sharp fall down the 'back legs').

This curve, of course, is merely for orientation – it is a simple way of expressing what usually occurs. It is not absolute, and it would indeed be naive to state that every change in an organization takes place in this way. The precise duration of sections of the curve cannot be defined – the transition may take place over a number of weeks, or sometimes over a period lasting more than a year. Reflections on the developmental curve may be assisted if you are aware of these four general principles:

1. Crises are natural

The development of an organization oscillates between high and low periods. Periods of prosperity and success, where the organization's structure precisely reflects its mission, are punctuated by periods where the organization finds itself restricted in some way, or where it has not kept up with social changes and has ceased to be productive; superfluous to the current needs of society, it does not know how to react effectively. Periods of crisis and developmental crossroads, sometimes accompanied by tension and temporary chaos within the organization, are a natural part of development. Even a well-functioning organization repeatedly undergoes periods of crisis, and the conflicts that accompany each of these crises are natural and probably essential. These conflicts need not necessarily cause damage; they may give rise to new developmental opportunities. The superstition that a good organization avoids crises and has no conflicts is false. A good organization has no fewer conflicts than a weak one; however, the former resolves conflicts in a productive way, and perceives and understands crises as an opportunity for development.

2. A developmental crossroads always follows organizational progress

It is worthwhile preparing for a developmental crisis well in advance of actually meeting with a developmental crossroads, which generally emerges after the rapid advance of an organization. The organization should understand sudden progress as the herald of such a crossroads. Although it may sound a little strange, an organization is best equipped to prepare for the handling of a crisis at times when it is prosperous. Paradoxically, this is a time when most of the organization's members are unable to even imagine that any kind of crisis could occur. Planning and implementing changes when problems have already occurred (with available space, financing, human resources, etc.) is very difficult, and is rarely successful without large sacrifices in terms of the organization and its personnel. For this reason, it is not appropriate to wait for signals and phenomena that warn the organization that it should set about planning changes; on the contrary, planning should be initiated precisely when the organization is at its most prosperous, and when everything is flowing effortlessly. It could be said that the best indicator of the need for change may be a very lack of awareness of such a need.

An organization that, after a period of prosperity, manages to obtain a new grant or new premises, or that manages to expand the scope of its activity by adding a new category of recipients, should rapidly begin a new process of strategic planning. It is usually too late to consider necessary structural changes when an organization's clients or members start to leave. Unavoidable strategic measures cost the organization more and are less effective in times of crisis. For example, a large number of organizations only begin to think about new sources of financing when previous grants end and financing begins to dwindle away to nothing.

3. A decline after expansion is not a sign that the organization is collapsing

A temporary decline after progress, followed by a period of equilibrium, does not spell failure for an organization. These are natural periods that follow any period of rapid improvement, which cannot be continued indefinitely. An organization may prosper despite the fact that the level of financing, its range of services, or positive media reactions towards it are lower than its members had become used to over previous months in a successful organization.

4. A fall to a lower organizational level may be useful

A decline after negotiating a developmental crossroads need not be a catastrophe. The organization finds itself on a level that it had previously been on, and the experience of having undergone a crisis in the organization is interpreted as a lesson in development. After such a crossroads, the organization may disintegrate into a number of parts with different developmental directions.

The ‘elephant’ above is a bridge between one level of organizational development and another. It is a description of one particular curve, or one kind of transition between two developmental phases. However, it is also a curve that is encountered repeatedly on various levels. Figuratively speaking, organizations crawl, leap, or somersault their way along developmental curves (in the shape of elephants) towards higher organizational forms, at least from a long-term perspective. It is also possible to describe an organization’s entire lifecycle in simple terms in a similar way, but the same conditions apply as in the case of the ‘elephant’. It is merely a model of a typical, common lifecycle. Organizations generally experience these turning points, but the life of every organization is unique. And just to complicate matters further, in addition to ‘ordinary’ organizations, extraordinary organizations also exist that do not fit into any particular category; however, with a little exaggeration, we could speak of organizations that are slow to mature, organizations with artificially accelerated growth or ‘schizophrenic’ organizations, organizations with ‘weakened immunity’ or identity, as well as organizations with ‘false idea of their omnipotence’ and ‘hyperbolic egos’, etc.

STAGES OF DEVELOPMENT IN NON-PROFIT ORGANISATIONS

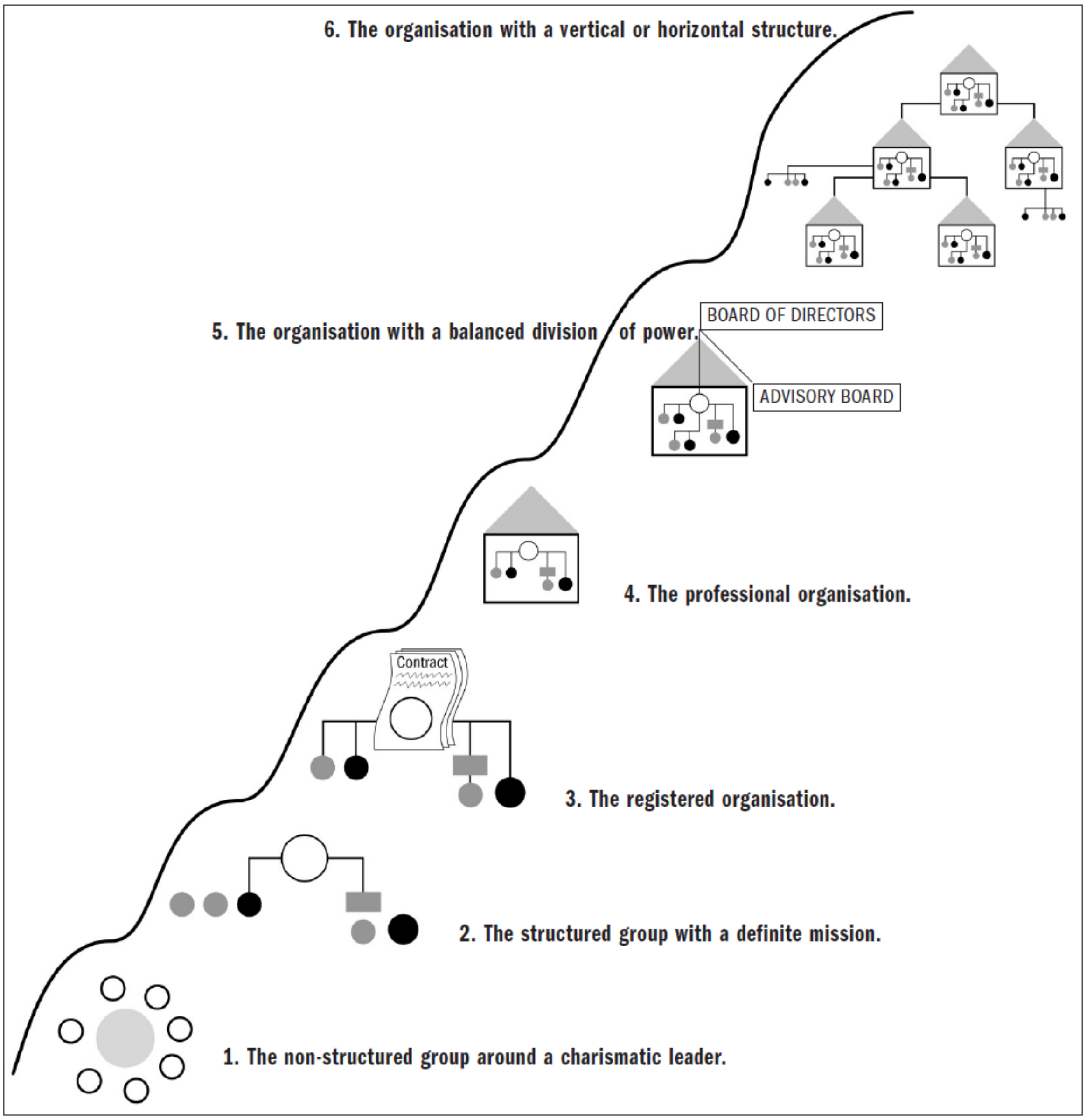
An ideally developing, model non-governmental organisation usually goes through six stages:

1. The non-structured group around a charismatic leader.
2. The structured group with a definite mission.
3. The registered organisation.
4. The professional organisation.
5. The organisation with a balanced division of power.
6. The organisation with a vertical or horizontal structure.

At first glance, such layering may seem strange. It is as if each criterion had come from a lightly different angle; the following level need not necessarily be a direct result of having solved problems on the previous level, individual levels converge, etc. Despite this, these criteria have some justification. They serve as a kind of developmental gauge. If you use this gauge to assess non-governmental organisations, then you will be more able to recognise their achievements and the developmental problems with which they are struggling, and to predict the problems that they will face.

Again, these six levels are merely for orientation – they are not Holy Scripture, or some kind of organisational ISO standard, but a flexible gauge enriched by the specifics of transformation in post-communist society. Naturally, each of you will know of non-governmental organisations that have the characteristics of higher levels without fulfilling certain characteristics that we have categorised in lower levels. The criterion determining each level is a key, minimum standard. We believe that an organisation would not survive for long on a higher level without meeting this criterion, even though it may possess some characteristics typical of higher levels of development.

Figure 1: Stages of development in non-profit organisations – developmental crossroads



At the outset, it is necessary to emphasise that if a developmental level of an organisation's structure is described as being 'higher', this does not mean that it is a better, more valuable, or higher quality level. Organisations on both the lowest and highest levels may all be excellent. Amongst other things, their quality will be determined by the extent to which their developmental level reflects the mission and scope of the tasks that they are supposed to carry out. Organisations may decide to maintain the lowest level of development over the long term, because the structure of this level is best suited to the organisation's needs. In such a case, it would be a mistake if this organisation were to endeavour towards professionalism, expansion, etc. So, once more: the following categorisation says nothing about quality. The level of development and the quality of activities are completely independent issues. At a certain point, all organisations with a specific mission and scope of activities probably reach an appropriate developmental level, which is a basic condition for the success of these organisations. Organisations remain at such a level for a certain period after attaining it, and will also return to it if a higher level proves inappropriate.

Every level is characterised by a key criterion, which we believe is a basic condition for the categorisation of organisations at the appropriate level. This criterion will be defined for each level, so that you understand the genuinely important issues when assessing the development of non-profit organisations. We shall briefly describe the dilemmas that organisations find themselves in at such times, and present examples of activities or problems.

THE NON-STRUCTURED GROUP AROUND A CHARISMATIC LEADER

The statement that "Nations live and die on the basis of the ideas upon which they are founded", by the Czech philosopher, Peroutka, is well known. However, this statement also applies to much simpler forms of social organisation.

A good non-governmental organisation is not established upon the basis of an irrational order from above; it cannot be written down on paper. When observing the history of successful organisations, one can usually find a person or a group of friends with a vision and mission at its inception. These are enthusiasts for some kind of idea, who find a common problem through discussions – a common desire to engage actively in helping others, and preventing evil, poverty, and injustice. Sometimes the first formulations of objectives are imprecise and general in nature. They often seem too idealistic or naive; however, they have the power to influence others, arouse interest, generate discussion, and initiate specific measures. One or more leaders emerge, who have the charisma to win over other people. They differ from the rest in their passion for the issue, their courage to engage in unpopular or hopeless cases, and their expertise, which enables them to perceive and define the problems more deeply and precisely. They take specific measures earlier than other citizens. The priorities and deficiencies of the *voluntary ethos* are most visible in organisations on this level. With no high level of planning, leaders and the groups of volunteers around them freely engage in independent activities that satisfy their need for fulfilment, a sense of meaning, and freedom, thanks to their sheer enthusiasm for the cause and their social, ecological, or cultural values. Casual, sporadic activities (such as visits to institutes for mentally disabled children, the rehearsal of a theatre piece for a graduation party, an ecological petition after relatives suffer health impairments, etc.) gradually evolve into more regular activities. Money, the fulfilment of obligations, and recognition are never mentioned, and much is spoken about a mission, even if implicitly. As a rule, most interested parties engage in absolutely everything; the division of competences is minimal. Decision-making is sometimes collective, sometimes autocratic, and almost always chaotic, with no defined responsibilities. The shared pleasure after every partial success is doubled; the shared heartbreak after every partial failure is halved. If young people dominate such a group, then couples involved in relationships and subsequent separations are a common phenomenon of this level of development. At the risk of sounding heartless, 'going out', loving relationships, and splitting up do not generally benefit development from an organisational perspective.

For a long time, the group need not have a name; the number of members, supporting workers, and volunteers changes constantly, and the boundary between these categories is vague. The identity and cohesion of the group sometimes strengthen the feeling of being exceptional and different from those around it, especially if the first steps taken by the group are not met with general support. Many non-governmental groups function this way for years, and moreover, this suits them – they feel no need for change. These could be groups of environmentally-minded friends and acquaintances who meet each year to mow meadows, help frogs to cross the road, assist in creating programmes for the public on 'Earth Day', etc. Or groups who sing on religious holidays, for example. There is no need for registration or a high level of administration. This informality and difference, rising above daily routine, is often the reason why these people engage in such activities in the first place.

Nevertheless, some organisations only exist on this level temporarily. Let us say an organisation becomes involved in a campaign that requires a greater level of organisation and co-ordination. Perhaps it would be useful to have access to a telephone for a few days. An approach whereby the person who is closest to the telephone when it rings is responsible for answering and making decisions is probably not good enough any more. Some tasks are attended to by a number of people while others are overlooked, and this becomes a nuisance. The enthusiasm of volunteers means that they work with great zeal; however, their lack of co-ordination often leads to poor results and painful disappointments. The organisation's exhausted workers have an increasing tendency to provoke conflicts – they are irritable and dissatisfied. These and other signals (arising from a specific mission) are clear indicators that the organisation should restructure itself on a higher level. Not all organisations recognise this in time, leading to a depressing outcome. Sensitive, intelligent, and sympathetic people who had once engaged with a passion in seemingly promising, meaningful activities end up affronted, overworked, and disenchanted. Each of them accuses everyone else, and they are often unaware that the original methods of organising activities have become ineffective. Goals must be defined more specifically; they must be quantifiable and controllable. It is necessary to begin discussing specialisation and responsibilities.

THE STRUCTURED GROUP WITH A DEFINITE MISSION

After a certain period, the group realises that its effectiveness would be increased tremendously if people were to cease engaging in absolutely everything, and begin to specialise. A process of clarifying informal roles and dividing formal roles begins. This process never ends as long as the organisation exists. On the basis of self-selection, agreement, or the identification of authority, the organisation's members assume responsibility for different activities.

An ideal division of roles involves people holding responsibility for the activities that match their expertise, experience, and interests most exactly. People only bear responsibility for a series of activities and functions that they are able to manage without becoming overloaded – they feel that their activities are exceptionally important, and that the organisation would be unsuccessful without their contribution. They are all currently satisfied with their current role, although they are willing and eager to take up other roles within the organisation. Alongside their regular tasks, they are continually learning and preparing for new roles. People are entirely familiar with the tasks, obligations, and rights stemming from their own function, and are informed about the functions of others. All of them are important, realising their functions the best of all; however, no one is wholly irreplaceable.

If necessary, people are able to stand in for them – they know who they are to cover for, and who will cover for them in an emergency. However, this is merely a theoretical ideal. Although it would be impossible to find an organisation that possesses all of these characteristics, it is always worthwhile endeavouring to achieve such an ideal situation.

One clear sign that an organisation has reached the second level of development is the continuous division of roles and clarification of competences and responsibilities. Roles are not fixed; they change in accordance with the organisation's current programme and needs.

Due to their sheer number of programmes, some non-profit organisations cannot find the time for seemingly useless discussions and clarifications concerning who will be responsible for what. The time and energy wasted as a result costs them much more than these apparently worthless, interminable debates about the division of roles. Some organisations deliberately avoid taking such steps, as it seems to represent the introduction of bureaucracy – a paper chase involving employment contracts and the formalisation of relations in an organisation where everyone should make the utmost effort in any case, because they are working for a higher mission. Aversion to the bureaucratisation of an organisation sometimes stems from bad experiences in state institutions or large commercial companies, which may lead to a black-and-white perception of the issue. For such people, the concept of possible organisational structures alternates between two extremes:

• An organisation functioning as a hierarchical, authoritarian, bureaucratic behemoth, where the flow of information and decision-making conforms to the Leninist model of distorted democratic centralism organised from the top down;

• An organisation with no structure, hierarchy, orders, or paperwork, where equality is a fundamental attribute, every person is fully responsible for his or her individual actions, and mutual assistance is motivated by a feeling of responsibility and reciprocal respect.

There are, of course, a number of shades of grey between these two extremes, where the structured model meets the unstructured, internal motivation overlap contract-based relationships, and the hierarchical model intersects with the network model of organisation.

The relationship between superiors and subordinates need not be based merely on authority. One of the possible models applying to third sector organisations in particular is the concurrent multiplication of roles. The roles of superiors and subordinates are not fixed, but depend upon their positions and responsibilities in regard to a specific programme or project. In simple terms, such a variation of responsibilities may be described as follows. Let us say that, in one of your organisation's programmes, your colleague holds managerial responsibility, whereas you are his or her subordinate in regard to issues arising from this programme. In another programme, you hold the main responsibility, whereas your colleague holds a subordinate role. In a third programme, you both assist another colleague, who is your superior. All of you have a number of roles simultaneously, while the tasks involved and your working relations vary within the framework of individual programmes.

The result is a 'non-hierarchical hierarchy'. The *rotating management model* may function in a similar fashion, whereby various members of the organisation, after agreement, assume the position of manager for a limited period of time. Organisations may also adopt other, similar models.

Some leaders of non-governmental organisations are sometimes afraid to discuss the optimum division of roles, because this often leads to a weakening of their power. The optimum division of roles entails the sharing of information within the organisation, and the manager does not decide upon every issue. The manager's role is more involved with coordination than having the last word on everything, and many charismatic leaders are ruined by this. Even after years have passed, fearless champions of children's rights or revered environmental activists with almost unlimited energy will still behave in the same way as they did when they began the cause with just a few friends. Despite the fact that larger projects, the organisation's reputation, and dozens of like-minded colleagues and supporters are at stake, such people refuse to change their strategy. They still want to know about every step in detail, and make decisions upon them. They regard others as the executors of their plans; they are not there to engage in discussions, but to undertake tasks. The colleagues of such leaders have little chance to learn about new activities, because their superiors trust no one as much as themselves, and therefore fail to delegate competencies to other people. They want to do everything themselves, even if they are "too busy", and overwork leads to unnecessary mistakes. They are always exhausted, even though some volunteers and colleagues remain idle. Leaders attribute this to the incompetence of their subordinates, whilst their subordinates attribute this to the dictatorial style of their superiors. This is a frequent and depressing phenomenon of the third sector. There are many high qualities, charismatic leaders who repeatedly establish new organisations, successfully guide them through the first phase of development, and then fail. Instead of stopping to consider and learn from their experiences, they go on to set up new organisations in the same vein and at regularly repeated intervals.

If required, a division of roles may also be formalised to organise the nature of the activities. We believe that it is a good idea to include a written contract with every member or volunteer concerning his or her activities, regardless of the fact that the organisation is unregistered. It will clarify your mutual expectations and deepen your mutual responsibility and trust. The contract need not be complicated, or needlessly formulated in official language. Although a few words on a piece of paper do not constitute a legal obligation, they do make a relationship clearer.

Apart from structuring, another important characteristic of this level is the definition of the organisation's mission. Organisations do not simply involve themselves in any particular activity that comes along. Their members have learned from their own experiences that engaging in projects exceeding their capabilities can be costly. Despite the fact that voluntary assistance and civic activity are necessary in all areas, engaging in every activity that evokes feelings of sympathy and responsibility, or which appeal to social conscience or the need to satisfy the pleas of others, cannot save the world. Organisations narrow their priorities in discussions, and define their mission, usually in written form. Where they not to do so, they would find themselves in never-ending conflicts relating to values, organisation, and personal relations among the staff (e.g. "Why are we involved in this and not that?).

Who can we accept money from, and who not? Why is our approach the way it is?" etc. The definition of a clear mission is like setting out on a journey by ship, in that the organisation cannot drift with the fair wind of existing political or financial advantages for long. The formulation of a mission facilitates the planning of specific, long-term goals and individual measures taken in the interests of the mission.

The behaviour of an organisation may be used to determine whether it really has a clearly formulated mission that is being fulfilled, or whether this is merely the subject of a few lines of text in a promotional pamphlet. An organisation with no clearly defined objective remains on the lowest level of development regardless of whether it may seem to be highly developed from the aspect of other criteria. A non-governmental organisation may be registered, and may have branches, paid employees, and sizeable assets. But if it does not have a meaningful, definite mission, it will always have a tendency to develop 'ailments' such as confusion, chaotic values, growing internal tension, and a lack of resistance to financial and political manipulation by the representatives of state or commercial power.

Occasionally, the founders of an organisation may perceive its mission so clearly that they underestimate the value of its formal definition. Other members need not necessarily feel the same way, or indeed, agree with the mission's concepts. Moreover, when internal or external conditions change, then a redefinition of the objective is essential from time to time.

THE REGISTERED ORGANISATION

Most organisations only register when they are forced to. A bank account is necessary to administer a grant, and can only be obtained by a legal person – an entity that is officially registered in accordance with existing laws. Registered organisations enjoy a higher level of trust from sponsors, the proprietors of rented premises, and current and potential clients – and from the organisations' members themselves. Registration brings a statute (and often internal regulations), a stamp, and contractual relations. It can bring both advantages and disadvantages. Ultimately, responsibility for key aspects of the organisation cease to be so diffuse – amongst other things, the statute clearly states who (or which body) holds responsibility. It identifies the people authorised to represent the organisation, its income and expenditure, the way in which the organisation was established, and the way in which its activities may be discontinued. The maturity of an organisation, its ability to think in the long term, is reflected by the way it registers itself. The process of preparing for registration is important. How should documents necessary for registration be prepared? How should individual measures concerning registration be undertaken? Should this process be the affair of only one or two people, or the result of discussions between all those involved? Are documents and activities concerned with registration (such as a general meeting in the case of civic associations) regarded as a necessary evil that must be completed quickly? Does an oversimplified notion exist that the statute can simply be copied from a similar non-profit organisation, and that the organisation should be registered as soon as possible? Or are the registration process and the preparation of the statute regarded as an opportunity to clarify the direction of the organisation and the principles upon which it will be based? Is there a search for formulations that, despite their limitation by legal standards, best express the interests of the organisation's founders and members?

The method of registering the organisation should be considered. If you have not already done so, it is essential to determine the type of non-profit organisation that you wish to establish before registering it. A number of fundamental questions must be answered before this issue can be resolved.

• Why is the registration of the organisation desirable?

• Who is the founder? (The answer to this question may not be as straightforward as it may appear at first glance. Is the founder a group of original enthusiasts, their leader, a small sub-group of members, a legal entity, another organisation, a majority donor, etc…?)

• For whom will the organisation be registered? Do you want to help and look after your members above all? Or have you decided to direct assistance primarily towards others, or towards a mission that affects everyone?

• Do you want to provide services? If so, will these be services that are provided, or should be provided, by other (state, church, political) institutions, and which you would like to improve upon by providing them in an independent, professional, and non-state form?

• Or would you rather play the role of a spokesperson and defend the interests of a group of citizens or associations by influencing laws and decrees?

• Do you plan to register an institution that will not realise programmes on its own, but which will obtain and apportion finances for their realisation by other organisations?

• Do you want to register something completely new, or would you like to expand an existing network?

• How should basic decision-making principles within the organisation be formulated?

Who has the right to make key decisions, and who will be responsible for their results?

These and similar questions should be cleared up before you speak to a lawyer, who will prepare the wording of the statute in accordance with the law and your own expectations. The process of posing the correct questions and formulating the answers must not be ignored. The organisation was not established in a few weeks, and preparation for its registration should not take only a few days. It would be more accurate to speak of weeks and months in regard to preparative discussions. The task of a legal consultant in the preparation of basic documents necessary for registration is not to devise and write the statute for you. A legal expert should be more of an advisor and technical assistant, helping to translate your conceptions of the organisation into the language of the extant legal framework. After registering, external relations are not the only thing that can change. Registration also alters relationships between the organisation's members, although not everyone is immediately aware of this. A newly appointed statutory representative and an erstwhile friend –'one of us' – can begin to act differently, strangely, after registration. Not everyone is prepared to acknowledge that this is because (in contrast to 'you' – the other friends) he or she now bears greater material or other responsibilities. The organisation's founders and members who were present at its establishment frequently have a different relationship to it than those who arrived later. In addition to a few words about the history of the organisation, its traditions, anecdotes, and organisational taboos, new members should also study its statute and regulations carefully. They should also express their opinions upon them. It will help them to understand how, and maybe why, the organisation is structured the way it is. Moreover, this may also assist the organisation itself, because newcomers are not hampered by fixed habits and are more able to perceive areas where relations may become strained or situations where the organisation behaves in an irrational manner. Although it is registered, an organisation may be based exclusively on volunteers and may not have even one professional employee. Even after registration, many organisations do not even have their own, or rented, premises, and often use the apartment and telephone of one of their members for their occasional meetings. Accounting in the case of some organisations is very simple – the columns for income and expenses show zeroes. (This is assuming that they do not calculate the value of volunteer work, which would be more exact). This method of operating ensures a sufficient level of effectiveness for many types of activity and programme. In such a case, the organisation can get by without an increase in professionalism. Professionalism is essential for other organisations to become at other stages, a preventive mechanism against a possible decline or even disintegration.

THE PROFESSIONAL ORGANISATION

Sooner or later, the organisation will find itself in a dilemma as to whether it should preserve its wholly voluntary status, its relatively irregular activities based upon enthusiasm, and its responsibilities that are practically impossible to monitor, or whether one or two employees should continue their current activities on a professional basis. If they are to be paid, then their flexible employment will change to a contractual relationship. Their responsibilities will no longer be merely moral in nature, but clearly specified in employment contracts with a legal basis. The employment of professionals may bring a higher level of working expertise and consistency to the organisation; however, it may also lead to inoperative bureaucratic and administrative practices. Leaving a job and beginning to engage fully in the third sector represents a perceptible existential adjustment for newly appointed professionals.

Although the third sector provides enjoyment and the opportunity to realise one's values, it can sometimes offer lower wages and less security. If society is unhealthy, then affiliation with the third sector may come with a political label attached. (The unhealthy notion may emerge: "Those people work in non-state structures, are paid from primarily non-state sources, and are not subject to absolute state control. What if they are working against the state or the nation?"). The attitude of professional employees towards the organisation inevitably changes. To be an employee of such an organisation does not only mean more involvement in interesting activities, but also in issues concerned with salary, social benefits, health care, and the organisation itself. Professionalism may also reveal hidden interpersonal conflicts within the organisation. From a large group of former volunteers and friends, who will be paid for their contribution if the organisation only succeeds in obtaining a grant for one full-time and one part-time position? What will the level of the wages and bonuses be and who will approve or reject any changes? Which services will people continue to provide to the organisation free of charge, and which will be subject to payment?

Would it be appropriate to employ a married couple, or a relation of one of the organisation's key workers?

The organisation will be repeatedly faced with a number of similar ethical questions from the very moment it decides to become professional. As a rule, professionalism stimulates an overall improvement in the quality of work, both internally and externally. Diagnostic, therapeutic, social, or educational work with clients is suddenly dealt with by an ever increasing number of professionals. The workers in the non-governmental organisation pay attention to their education – they attend courses, schools, and seminars, and go on study visits to ensure that their activities become even more effective. Once an organisation has begun to function professionally, it will later become evident that one-off educational activities are insufficient, and that an overall, planned system of ongoing education is essential for all workers in the organisation, both employees and volunteers. Archives, the handling of mail, telephone answering services, regular meetings, planning and control, marketing-oriented annual reports, and more thorough promotional material of a higher quality are all signs that an institution has become more professional. However, too much can lead to a fragmentation of individual activities and a tendency towards prioritising the fulfilment of norms and avoiding risky activities that would lead to reprimand were they to end in failure.

In short, it need not necessarily be an ideal solution. If an organisation begins to look too much like a large factory or bank, then it probably cannot avoid the feeling of estrangement from the organisation's original values and the mutual formalisation of employment relations that will result.

THE ORGANISATION WITH A BALANCED DIVISION OF POWER

In a professional organisation, decision-making methods are more transparent; it is much easier to see who has what competencies, and the responsibilities that people bear. This becomes more and more important as the organisation ages, expands its activities, involves itself in social life to a greater extent, and experiences an increase in its property and funding. A well-written statute and internal regulations, reflecting the nature of the organisation, may prove to be critical for a successful division of power. If the statute and regulations are not merely pieces of paper, and actually serve as a guide when making key decisions, then they may have a preventative role, and be relied upon in times of conflict. In a professional, developing organisation that has paid employees and manages its money and property, it is also appropriate to clarify issues of power, the possibilities of joint decision-making, balances between rights and obligations, and problems concerning internal and external accountability. The concept of an unregistered, friendly group of enthusiasts where all its members have the same level of power, relinquish an equal part of their sovereignty in decision-making for the good of the organisation, and have complete responsibility for self-monitoring, has long ceased to exist. As soon as some people have become paid employees, as soon as people cease to have the same functions and wages, or as soon as someone begins to hold ultimate responsibility, then the issue of the appropriate division of power becomes extremely relevant.

The organisation is faced with a question: how can it avoid 'bossism'[3]? How can the institution guarantee greater credibility and prevent the misuse of power resulting in public scandals?

Again, despite the fact that the principles of democracy are often the subject of attack, people have yet to come up with a better system. Principles of the division of power into legislative/conceptual power, executive power, and judicial/monitoring power should also be applied on an organisational level, as well as to society at large.

At a certain point, the organisation will certainly become aware (in spite of the fact that this is not always pleasant) that controls and the organisation's actual activities are of equal importance when it comes to successful operation. Mature organisations have an established system of internal controls (such as some form of supervisory body) that regularly assess the extent to which the organisation's programmes correspond to rules set out by the organisation itself, as well as by legal, tax, and ethical frameworks. From time to time, non-profit organisations commission an external audit, even if the law does not demand this; they can increase their credibility in doing so. In addition to the obligatory provision of information to donors, they also allow controls by the public, whereby the most typical approach is to inform the public and all interested parties about the organisation's activities and accounts in the annual report. Less well-developed organisations are doubtful that such a measure is appropriate – after all, why should they publish their budget to a hostile, resentful, and uninformed public? The answer is: to correct this very lack of public awareness. Non-profit organisations have nothing to be ashamed of. The appropriateness of their actions should be subjected to public control in order to obtain greater public support, even if some state institutions (the users and administrators of taxpayers' money) do not do this. The publication of data concerning non-profit organisations is the best way to prevent scandal and suspicion. The public should always play the role of monitor.

[3] This American expression denotes a phenomenon whereby too much power is concentrated in the hands of one manager or a small group of people. This creates a threat that over-hierarchical, authoritarian decision-making could be brought to bear in issues that call for a higher level of democracy, participation, and control).

Organisations that fail to understand the necessity for external controls cease to develop after a time, because they lose the trust of donors and the public. Most organisations rapidly grasp this principle and engage in frequent discussions with donors, print annual reports, commission occasional audits, and publish regular statements by internal supervisory bodies. Other non-profit organisations only understand and act upon this principle when they themselves are the subject of a scandal concerning the misuse of power or finances. In organisations oriented towards the outside environment (foundations, funds, and public benefit organisations), the issue of the division of power is also reflected in the need to separate managerial (conceptual) and executive functions. The most common functional model – the board (such as an administrative board, advisory board, or board of directors) – determines the organisation's basic direction and developmental concepts, and in particular, appoints its executive director, who is to realise these ideas. The director then creates a working team of executive employees. Some organisations implement such a structure immediately, while others only apply it when they finally comprehend the necessity for a division of power within the organisation. In the latter case, the restructuring of the organisation is much more complicated. In the following boxes, we shall present a more detailed picture of traditions associated with boards and the various ways in which they may function.

Box 3: A basic categorisation of the tasks carried out by boards of directors

There is no unanimous opinion as to what a board is responsible for. Some of the most basic functions, upon which most people agree, include:

• Strategic decision-making

The board is responsible for making strategic decisions in areas of financing, and personnel (involving the executive director, and rarely, other key employees in the organisation).

• Decisions concerning legal and financial aspects

The board ensures that the organisation is managed in an appropriate way; i.e. that it uses suitable approaches and that financial and commercial transactions are performed in accordance with requirements set out by the law, the organisation's statute, and its internal regulations. It sets out rules and amendments concerning audits, investment, and the way in which financial reports are submitted.

• Managing the work of the board

The board selects new board members in accordance with the organisation's internal regulations. It ensures that new members are informed and educated to an appropriate degree that enables them to carry out their functions. It is responsible for drafting written conclusions from its discussions. It ensures that the activities of employees are carried out in accordance with their functions and internal guidelines, and that the board is able to develop further and engage in educational activities.

• **Fundraising**

The board approves goals and plans concerned with fundraising, and assists in fundraising efforts.

• **Public relations**

The board represents the organisation to the public and the media. It prepares strategies for raising community awareness of the organisation's mission and activities; enhancing appreciation of the target group's needs, and winning over the representatives of this group to the organisation's side.

• **Planning**

The board helps to define (or redefine) and approve the organisation's mission, direction, and basic goals over a certain period of time.

• **Programme management**

The board approves the direction and support of specific programmes (such as the structuring of the programming committee). It regularly assesses the overall efficiency of programmes – either directly, or by using the services of external evaluators (i.e., experts whose task is to assess programmes, as well as the organisation's structure, capacity, and development capabilities, in an objective way).

•**Working with employees**

The board selects, appoints, and assesses the executive director. It monitors and approves personnel policy. It has a system in place that states how to proceed in the event of significant complaints, conflicts, and crises.

Box 4: The issue of problematical boards[4]

Boards do not always function perfectly – they have their quirks and flaws. We shall now describe some of these (with a little exaggeration) and present the mistakes that are most commonly made.

• **'The Phantom Board'**: Such a board meets once or twice a year, and each meeting is attended by different people. Introducing the board members sometimes takes longer than the subsequent agenda. Members are required to express their opinions on a large quantity of submitted material that they have not had time to read; because no one is prepared, discussions are very time-consuming.

The executive arm meets regularly and carries out all of the board's tasks. Clients (i.e., the recipients of the services provided by the organisation) subsequently feel the effects of this lack of conceptual planning.

• **'The Research Board'**: Composed of analysts, this type of board generally analyses problems without producing any specific solutions; instead, it seeks the services of external experts. Its favourite counter-argument is: "If only we had more time/facilities/information/people/contacts". This type of board seeks an ideal solution – some kind of 'magic potion' for the problems. Usually, it only manages to discover ways in which a problem should not be solved.

• **'The Starboard'**: The names of its eminent members may look good on a letterhead, but someone has neglected to inform them that there is also an element of work involved. These are significant, cultured, and loquacious people, who love to listen to their own volubility. As soon as they realise that they are responsible for the work of the organisation, they generally leave without delay.

• **'The Director's Fan-Club'**: Board members are fascinated by the charismatic executive director who founded the organisation, live solely for it, and are constantly expanding its already far-reaching mission. Such boards encourage a pseudo-culture of 'meeting feedback' and try to meet directors halfway, leaving all the initiative up to them, and endeavouring to fulfil all of their expectations. This situation generally persists until the organisation's director makes his or her first big mistake.

• **'The Board with Empty Pockets'**: These boards are established because their members are able to obtain money for the organisation, their task having been defined as such. The members do not have a manifest relationship to, or understanding of, the organisation's mission. They often fail to attend meetings, and later cease to understand why they should work for this particular organisation.

• **'The Boardette'**: This is a board that is too small, or that lacks diversity with regard to the number of activities that it must cope with. It creates sub-committees with one member, and often plays 'committee roulette', where each board member is also a member of another member's committee. Such a board cannot fulfil all its tasks, and makes an ever-increasing number of incorrect decisions due to its lack of time. Members end up overworked and sceptical.

• **'The Disordered Board'**: Members are often involved in conflicts of interests, dubious activities, and opportunist practices. Administrative and operational inconsistencies can lead to a decline in the organisation's reputation, financial losses, or even total disintegration. No members of disordered boards are willing to bear ultimate responsibility for the organisation.

• **'The Bored Board'**: No essential decisions are expected from board members. They are sometimes hesitant towards the decisions and activities expected from them, working as they do without a clear definition of duties, plans, or feedback. They do not feel that they wholly belong to, or make up, the organisation. After a time, they often have no feelings at all, except one of boredom.

• **'The Two-for-the-Price-of-One Board':** Most members are also the leaders of other organisations that carry out contracted services for the organisation in question. They are both employees of the organisation and its clients. The board is unable to break the mould, because it is restricted by the existing structure and experiences of a limited group of people.

• **'The Rowdy Board'**: All boards have at least one vocal radical. In rowdy boards, such people are in the majority. Meetings are exceptionally demanding, especially on the eardrums; in the case of most members, the ratio of talking to listening is 9:1. You may often hear that "the principle is important, not the money". In such cases, money and power are generally at stake. The rule of indirect proportionality applies here: the less significant the problem, the more it will be discussed.

• **'The Billboard**: External appearances are all-important. A great deal of time and energy are spent on annual reports printed on glossy paper, impressive graphs, receptions, appropriate menus, gala celebrations, and prominent guests. Little time remains for attention to the organisation's mission and everyday activities.

• **'The Centrifugal Board'**: The division of responsibilities and the attraction of new competences are the fundamental characteristics of such a board. Many committees are completely non-transparent after a time.

[4]Loosely based on 'Boards from Hell' by Susan H. Scribner, 1995

Board members are so fascinated with their new tasks that they overlook the fact that someone has to carry them out; they forget about reality and the limited capabilities of their subordinates.

THE ORGANISATION WITH A VERTICAL OR HORIZONTAL STRUCTURE

The transition into a stage of organisational 'maturity' generally means that the organisation begins to act in a manner reminiscent of dynamics in a family. It is compelled to seek out ways of expanding capacities and increasing efficiency in order to fulfil its mission. It seeks partners, establishing short-term or permanent partnerships, coalitions, strategic alliances, and associations. Fruitful and expanding organisations create a number of branches and delegate some activities to organisations that are better equipped to tackle specialised functions. They create subsidiary organisations and essentially repeat the process of dividing roles on an organisational level that they had earlier undertaken (on a much smaller scale) within the organisation itself, on the level of its employees. Partnerships with other non-profit organisations may come in various forms. Sometimes a mutual, oral exchange of information concerning the mission and planned or previous activities is sufficient, along with an approximation and co-ordination of efforts with those of other organisations that have a similar orientation. Organisations involved in advocacy, lobbying, or pushing for particular decisions in the area of public policy often come to realise that coalitions with other organisations enable the creation of much more wide-ranging support on the part of the public and the media, and thus help to attain targets that none of the organisations involved would have been able to manage alone. Non-profit organisations reach such a stage in 'letterhead coalitions', in which they all agree to print the names of their organisations on petitions and letters expressing a common viewpoint or announcing a common platform. When concluding such a coalition, partners should remember to include a 'back door', incorporating into contracts a refined way of backing out of unfavourable coalitions in the event that the opinions, status, or members of the coalition change. This is particularly true in the case of larger coalitions. If organisations neglect to do this, a situation may arise where one of the coalition partners decides to leave in the middle of the process, with accompanying media attention, accusations, and unresolved financial disputes that may damage the image of the entire coalition and complicate the situation for the rest of the partners.

Even more demanding is the process of stable association in the provision of services, where it is essential to agree upon the division of responsibilities and competences and to determine areas where the funds of both organisations may be saved, along with the most effective methods of achieving this. Association with other organisations may gradually exceed the boundaries of the district, the country, or the continent. One of the most common difficulties associated with the approximation of activities is the necessity to overcome language and cultural barriers. Nevertheless, one of the marvels of the third sector is that, for example, a Slovak non-profit organisation oriented towards the protection of animal rights may find it easier to agree with another non-profit organisation in Argentina than with representatives of the state and commercial sectors in its home town. Combining the efforts of organisations is the most complicated process of all from the aspects of procedure and personnel. However, this is a phenomenon that MENA region countries will (happily) not be able to avoid when rejuvenating their third sectors. Whether motivated by financial jeopardy or an awareness of the power of unity, many organisations will reach a stage where they decide to merge with other organisations. But what shape will these 'marriages of convenience' take? What will the logo and mission of the new entity be? Will it adopt the characteristics of one of the integrating organisations (in extreme cases, some mergers may have the nature of a take-over), or will it choose a new path? Will there be some kind of compromise involved? What will the merger mean to people in these organisations? Who will lead the newly formed entity? Will there be redundancies, a change of address, or wage adjustments? These are all legitimate questions that cannot be answered, without preparation, in a single week or month. Moreover, unification does not come cheaply. Expenses for consultants, lawyers, facilitators, moving, and working with the public will run into sizeable sums for large organisations. The organisations involved will have to decide for themselves whether, despite these expenses and the problems that must somehow be resolved, unification will bring more benefits than disadvantages.

The coordination process will not only take place within the third sector. No large organisation will be able to function in practice if it does not coordinate its efforts with local government or, in some cases, with the state administration and the commercial sphere (i.e. if it does not engage in inter-sector cooperation). The process of dividing organisations and creating new entities is also a complex one. In addition to technical details, the organisation must also answer a number of fundamental questions before partition:

• How decentralised should the model be? How should organisations solve the dilemma between the autonomy of individual components and the level of accountability? In what areas will organisations have the authority to make completely autonomous decisions without consulting with headquarters? Where will their autonomy be limited? Or in short – how should organisations divide up their internal power?

• How can organisations ensure loyalty towards their own internal goals and towards the group as a whole? What if these loyalties are incompatible?

• How should the issue of contributing and sharing out financial profits and non-tangible benefits be resolved?

There are a number of possible solutions:

The egalitarian model: all organisations in the network receive the same share, regardless of their input and size.

The model of proportional equality: all the entities involved contribute and receive the same amount in proportion to their size.

The model of structural equilibrium: some organisations receive more than they contribute and others less, based upon an agreement concerning the appropriate long-term policy.

The combined model: for example, ensuring a minimum standard of recompense for all while sharing out further recompense over and above this standard in proportion to input or the need for equilibrium.

At this point, the network begins to resemble that of a commercial entity.

Some non-profit organisations create specialised units or departments. These may be, for example, manufacturing or trade departments that bring in the capital necessary to fulfil the mission. Alternatively, they may be organisational sub-structures, or organisations within a larger organisation that are dedicated solely to advocacy, research, or influencing lawmakers. Foundations may be created that are aimed primarily at supporting other components of the organisation. Although this might sound strange, a non-profit organisation may even begin to function as a company after registering as such. Even this form of transformation (from a non-profit organisation to a company and perhaps back to a non-profit organisation again) is by no means harmful. It does not represent disloyalty to the organisation's fundamental mission or spell an end to its values and ethos. Such notions are only propounded by badly informed, charismatic leaders of non-profit organisations, almost as if there were only one correct way for these organisations to develop, or only one possible destiny.

The reality is more varied. The third sector often has an instinct for discovering and cultivating needs that the private sector has yet to perceive. Unfulfilled needs often attract the professional services of the commercial sector, which may turn out to be so essential that a source for their financing is found after a while. Public agencies subsequently enter the established area, which require a stable fulfilment of their needs, with the aim of ensuring that a minimum standard is maintained. Non-profit organisations or companies are contracted to provide these services over the long term. When these services begin to differ too much from their original aim, when they become bureaucratised and fail to react to social changes, then enthusiasts can always be found who are prepared to help on a voluntary basis, and thus the entire process begins once more. Social care services are an example of such a trend.

All around us, we can see organisations in motion, at various stages of development; it is therefore a good idea to possess an awareness of what will probably happen – and look forward to it.

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TEAM DEVELOPMENT PHASES

Each group of people, who decided to work on a common task, may pass a number of phases in its development – starting from a rather immature group to a highly efficient team. It also applies to people who are not beginners in teamwork, but they start to work in a new team. A team leader, who knows what to expect in the particular phases of team development, is better prepared to react to the needs of the members (which are different in each phase), as well as to help them overcome the situations they experience. Knowing these phases is also important to the team members alone, because it helps them better realize what is going on and clearly define their expectations.

In general, there are four known stages in the life of a team. However, some sources also mention a fifth one, with the list reading as follows: *forming*, *storming*, *norming*, *performing*, *mourning*, and *adjourning*.

Forming

Forming begins when a group, which is immature, meets for the first time. Group members find themselves in a new situation that is unknown to them and this could lead to chaos within the group. The new environment could create major insecurity amongst the members, and therefore their behaviour is aimed at gaining internal security. Some people consider a newly built group positively, while the chaos inside can cause impatience, and so it requires structure and purpose. Still some people wish to be somewhere else at that moment because they feel uncomfortable. They perceive the people around them as a threat, and as a result, communication in such a group slows down. Team leaders should be cognizant of this, and understand that in certain situations, group members are dependent on their leadership. In this temporary stage, much depends on attitude and activities that will determine the direction to which the group will later proceed. The leader is in charge of all the power and following are expected from their leadership:

- recognizing and appreciation of approach of individual members;
- fulfilling expectations;
- and identifying behaviour and attitudes that will lead to success.

Storming

'Storming' is a state of conflict and confrontation. In this instance, there appears to be a struggle for power and behind the scenes actions which are accompanied by clan making. Some members feel isolated and excluded and therefore they do not participate as readily, while other members feel uncertain in their given roles. There appears to be deliberate undermining of the team leader's authority and an obstruction of their ideas. Key objectives of the team leader are to guarantee that this phase would be just temporary. One common mistake that many leaders in this phase make is separating the teamwork from the process of building team relations. In this instance, they end up mostly concentrating on teamwork rather than the latter. In the effort to create a good team, a number of organizations often decide to organize a social event that is supposed to bring people closer to one another. After a couple of days spent together the team members start making relationships amongst themselves. Once they come back to the normal working environment, to the surprise of the team leader, the conflicts often arise again. The leader will want to take advantage of techniques that will promote a good work environment. An environment which incorporates all of the members into the 'vision making' process, along with a common agreement on the aims, team roles and the fulfilment of tasks, is what creates strong bonds among individual members. One potential obstacle that might occur during the stage of a 'transitioning group' could be an excessively dominant leader. If the leader claims to have a clear vision of where the team should move, since the group at this stage does not have a sense of security, the vision of the leader could be accepted blindly. The binding mechanism between the individual members is the leader. Consequently, in an extreme situation this could lead to the development of a personality cult. A group often becomes an instrument fulfilling the needs of the leader. Such groups are able to be successful for a certain period of time but they usually end when the leader leaves. If the leader is a dominant person without a clear vision, the control will be only partial and the group will usually fall into a phase of conflict.

Norming

Norming brings about the introduction of labour standards as people start working on their assigned tasks. The team building becomes stronger because individuals begin to recognize their own strengths and weaknesses. A leader who behaves in a way that he would like others to behave is more readily respected. Members will accept leadership approaches which integrate them into the decision-making process. They will start to identify themselves with the group and are more willing to change their mind if someone argues with proven facts. As the communication in the team improves, active listening and putting questions becomes commonplace. In this stage, feedback also helps to improve the relationships between the team members. If a conflict appears in the group, it must be considered to be a problem for the whole group rather than an individual problem, which has its winners and losers.

In the third phase there is a potential risk that the team could remain in the 'consensual' phase. Such a thing often happens in with a group of peers who act among themselves as collaborators in a partnership, but the groups often function as self-regulating groups. This also applies to non-formal social meetings such as "strategy meetings" or meetings reminiscing on the past. In this instance, there appears to be a group consensus or a "one for all" attitude. Selfhood is an occasion to achieve something and all desires for individualistic pursuits are all gone. The individuals on the team do not want to break the harmony by introducing polemic discussions or controversial questions. If there is a new idea or proposed solution, and it is agreed on by everyone, then beginning to work on the many different tasks at once may produce disorganization because the group is aiming towards many directions and the efforts are not well coordinated. In the consensual phase it is difficult to go over to an efficient teamwork, because all members think they are already there!

Performing

Performing is characterized by high efficiency within the team. This is the phase of a real teamwork. Members already comprehend their strengths and weaknesses, and they work within a structure, whichever suits them best, in order to complete the common task. Individual team roles are seen from the functional viewpoint and they change swiftly. Such a team is able to compete with other teams and its members become more self-confident. The described state is dynamic, because of the mutual interchange of ideas, common energy, understanding and devotion to team work can often lead to a different direction than the one previously expected, and to previously unexpected achievements. The main task for the team leader is to make arrangements for the opportunities, so that the team may continuously grow and produce high output. Therefore he should always bring forth new information to the team, encourage it in its growth, appreciate successes, provide for the necessary trainings and, lastly, step back and delegate many functions to team members.

The phase of **mourning or adjourning** is only mentioned in some of the sources. It represents a phase of a natural cease or disintegration of the team. We should not forget that the life of a team, just like a life of a man, ceases when he has fulfilled his tasks and reached his goals. Mourning, brought by such end, is a natural part of our being.

LEADERSHIP FOR THIRD SECTOR ORGANIZATIONS

The MENA region has had extensive experience with authoritarian and autocratic leadership, and as a consequence, people are often self-conscious in regard to leadership and leaders because these words have negative connotations. However, leadership is a natural and necessary phenomenon. Modern research has revealed that people's social behaviours are closely related to the behaviours of animals. In the same way that a herd of cattle loses its orientation and structure without its leader, human social groups also require leadership, an example to follow, organization, vision, and direction. The behaviour of animals is clear and comprehensible. Human behaviour, on the other hand, is less transparent; its real motives are cloaked in rational, pseudo-rational, cultural, and civilization-defined formulae. Despite the social manners present in human society, the identical features of human social life and that of animals cannot be ignored – the rules of coexistence, rituals, the transfer of information, the diversity of roles within the social group, and the need for solidarity, followers, conformity, or rivalry. Many of them stem from the same sources. Leadership and status, along with decision-making powers and responsibility, are obvious in herds of cattle, but this is not always the case when examining human interaction. People sometimes take great pains to ensure that such attributes are not evident; in other cases, a great deal of effort is devoted to ensure that they are. The status of individuals within groups is expressed by business cards, separate offices, different cars, individual telephone lines and mobile telephones, special personnel, and the various rituals connected with social relations (planned meetings, audiences, etc.). These are all demonstrations of special status, which naturally accompany the position of leader. Throughout the history of human civilization, such trappings have been seen in various forms. They are external symbols signifying that this person is a leader of people and social groups. In the following paragraphs, we shall attempt to explain some of the cited phenomena.

The leadership of people has a reciprocal character, arising from the need to lead and be led. Leaders require followers, and followers require leaders, but the age-old problem has always been the balance of this relationship. If it is created voluntarily, without aggression or manipulation, then it has a significant effect. The tendency towards leadership is very productive if leaders do not interfere with the rights of others, if they possess abilities appropriate to a given group and situation, and if they are accepted by a majority of the group's members. When two people with dominant and submissive types of behaviour meet, then a mutual accord is reached. However, if two dominant people exist within a small group, both of whom want to lead the other, then this naturally leads to rivalry and conflict.

From the aspect of development, a social group led by an accepted leader has a good chance of being productive. Its prospects are also improved if its head (leader, managerial employee) has certain leadership or management abilities and skills. In what way should a leader or manager stand out? There is no simple answer to this question.

Power is a part of all interpersonal relationships; however, it brings with it a risk that depends upon levels of personal maturity. Organizations require a goal, vision, and direction, but if co-operation and mutual assistance are not promoted, then teams or organizations are degraded. It is difficult to achieve development without systematic, daily activities. The proportions and intensity of individual components of leadership cannot be precisely defined. Specifically, there are many variables involved – the attributes and abilities of the leader and co-workers, the aspirations of participants, the goals and tasks of the organization, mutual relations, the environment as a whole, the professionalism of participants and their working career, the structure and development of the organization, professional functions, and others.

Analyses of the competencies of effective leaders have shown that the most successful possess abilities that are divided in a particular way. Approximately 40% of their abilities are those of communication – skills used when engaging in discussions with people, or effective, 'people-oriented' communication. A further 40% are abilities connected with leading others, assessing the appropriate style of leadership in accordance with the situation and the people involved, and flexibility in leadership; i.e., the ability to lead and manage individuals and teams. Only about 20% are professional competencies (for example, education and experience in the area of construction when running a building company, sporting knowledge when leading an organization promoting the development of sport, etc.).

MANAGERS AND LEADERS

To begin with, two terms must be differentiated – those of 'leadership' and 'management'. There are no precise dividing lines between the two; however, areas do exist where the characteristics of these two terms differ. Leaders are able to create vision – an image of something that the organization wishes to orient it towards and achieve. They know how to speak to people and win them over to the organization's side, and are able to orient people towards 'the right thing'. They have a feeling of renewal and innovation. Managers, on the other hand, are characterized by thorough planning, organizational abilities, and knowledge of how things should be done correctly. Management dominates in the specific work and output of organizations, while leadership is more useful in creating perspectives and in its ability to appeal to people. Both approaches are not mutually exclusive; on the contrary, they are both very valuable for effective operation. These attributes may be present in one person, two people, or entire teams.

J. H. Donnelly Jr., J. L. Gibson, and J. M. Ivancevich of the Universities of Kentucky and Houston have described the difference between these two approaches as follows: "Leadership is the ability to engage others to achieve set goals with enthusiasm. It is a human factor, which creates feelings of fellowship within the team and motivates it to achieve goals. Management activities such as planning, budgeting, organizational structure development, human resources development, or control mechanisms cannot be started unless the leader is able to give direction, win people for the vision, and motivate and inspire them."

MANAGEMENT

- Short- and medium-term planning.
- Managing and controlling the budget.
- Building and maintaining organizational structures.
- Managing personnel.
- Planning, forecasting results.
- Ensuring that people DO THINGS RIGHT.

LEADERSHIP

- Strategic planning and creating vision.
- Winning people over to the vision.

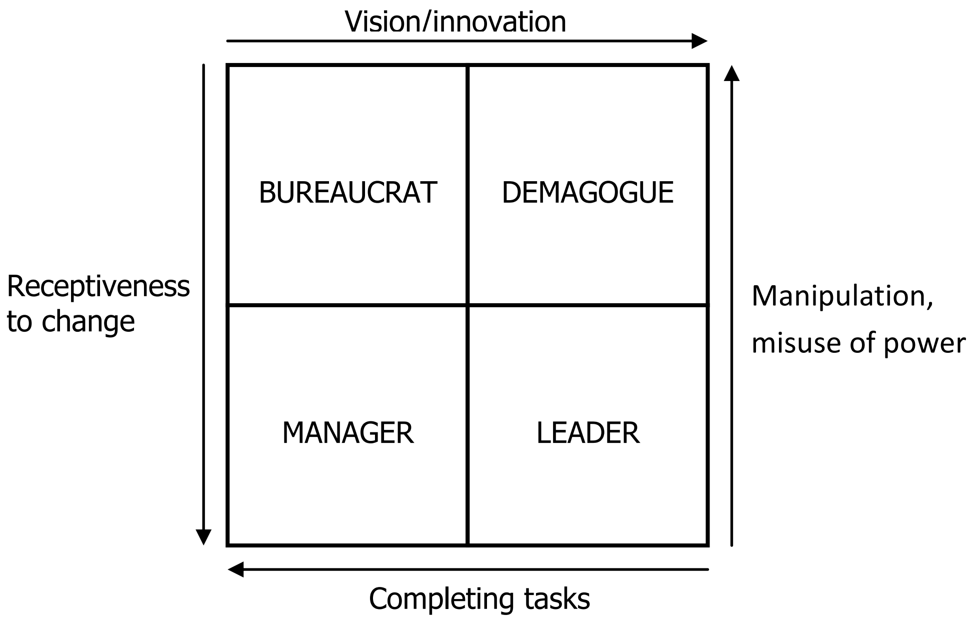
- Motivating people and developing organizational structures.
- Inspiring employees.
- Innovation, meaningful and unexpected solutions.
- Ensuring that people DO THE RIGHT THING.

(Based upon work by S. McCormick).

In non-profit organizations, leaders are enthusiasts or groups of enthusiasts who are able to determine the goal and win people over to their ideas; however, they often do not know how to transpose their vision into everyday activity. It is as if these leaders sometimes feel that precision and the completion of tasks might deter volunteers (after all, they work for free, and they are not officials or entrepreneurs, so why should we bother them with such things?)

Managers and leaders can be envisaged according to the abilities typical for their roles, or abilities that facilitate the fulfilment of tasks arising from these roles. Of course, they may also have a bizarre, absurd, caricatured, or even a dangerous nature – dangerous if these roles are connected to elements of manipulation, dependence on individualized power, or the inability of leaders to reflect upon their own actions. This may border on demagogical or bureaucratic behaviour. Let us look at Figure 1.

Figure: The risks of crossing the boundaries between leader and manager



It is clear from the diagram that leaders differ from managers in their orientation towards the future and the creation of vision (the direction of the arrows indicates an increase in given abilities). Managers are more dominant in the completion of tasks, planning, and the ability to fulfil concepts and tasks in a methodical way. The functions of each should not be oriented towards the misuse of authority, or an unhealthy dependence on power – manipulation. If these roles are to support the organization's constructive development, then it is essential to avoid opposition to change and an inability to accept permanent development as a part of the organization's culture. Perhaps this is a little too straightforward – obviously, a certain level of resistance to innovation is only natural. This diagram is more of an indication as to where slip-ups can easily be made in these roles, and the orientation that many people have a tendency to take – a demagogical and bureaucratic approach. Demagogy and bureaucracy have no place in the conception of leadership and management that we are trying to explain, or should only appear to a minimal extent. The dimensions of misusing power and manipulation represent a tendency to utilize power in an egotistical way. Opposition to change indicates the ability (or inability) to prepare for changes; perhaps this element could be defined as the level of flexibility, or the ability to tolerate variations in the environment. Comparing demagogical and bureaucratic orientations can help us to define managers and leaders better. When power dominates these roles, the dependence of others upon those in charge is seen; when constructive leadership predominates, then there is more compatibility and overlapping of targets. Leaderships that are not dominated by power ensure that everyone has the same goals, so that ambitions are clear.

LEADERSHIP STRATEGY

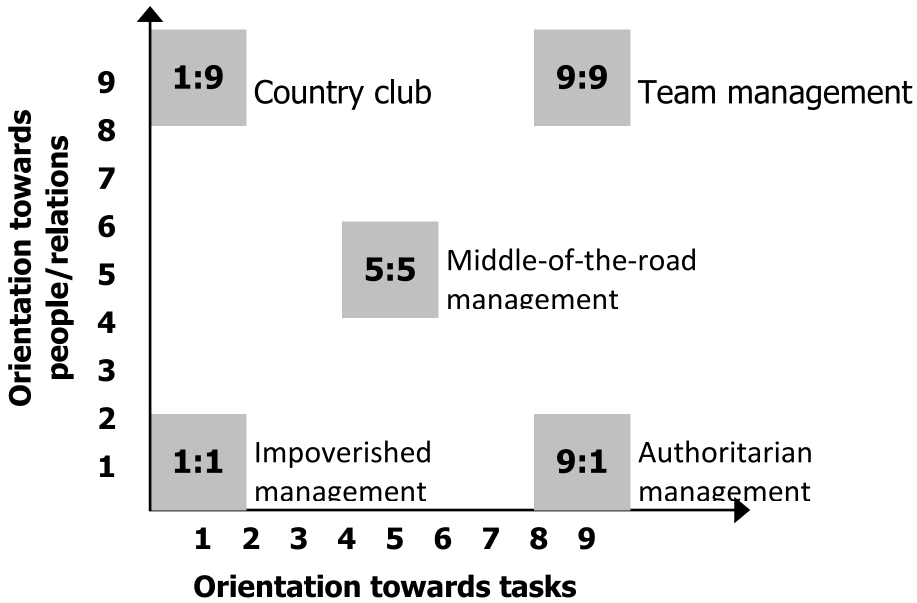
Much has been written about various perceptions of leading and managing people and working groups. Some of the most common include:

- Theories of personality traits, where an efficient leader stands out from his or her adherents due to personal, social, physical, or intellectual features.
- Behavioural theories are based upon the conviction that the most important aspects of leadership are behaviour and action, and thus seek effective forms of behaviour from leaders.
- The situational leadership model considers the various situations in which leaders find themselves, their relationship with members of the team, and employees' levels of development as important.
- Models of transformational vs. transactional leadership – two contrasting systems of leadership, the former based upon inspiration, intellectual stimulation, and taking the individual characteristics of team members into account, and the latter based upon systems of evaluation, etc.

In the following paragraphs, we shall concern ourselves with approaches that may be practically applied in non-profit organizations. We shall pay particular attention to the managerial grid and situational leadership, beginning with the now-classic theory of the managerial grid drawn up by R. R. Blake and J. S. Mouton in the 1960s. The basic characteristics of a good team are performance (the reason for its establishment), and relations between team members, as can be seen in the following diagram:

Figure: The managerial grid

(R.R. Blake and J.S. Houston)



When we put the various levels of orientation towards people and performance together, the result is five possible approaches to teams and organizations.

- **Country club** management is aimed primarily towards relations, creating an agreeable atmosphere and a relaxed working pace. Older readers may remember this from certain institutions in the past, where the work was not so difficult, and the atmosphere was pleasant and often merry.
- **Impoverished** management involves minimum demands on performance, but also minimum support for relations. The effort to build an affinity with the organization amongst employees is almost non-existent. People do turn up for work, but they do not become involved; mutual relations are cool or absent altogether.
- **Authoritarian** management does not feel it important to waste time with interpersonal relations. The determining factor is output and only output; everything else takes second place. People are there to work, and not to be disturbed. With a little exaggeration, the situation could be compared to Chaplin's 'Modern Times'.
- **Middle-of-the-road** management strictly balances the needs of people to associate, create an agreeable atmosphere, and establish friendly relations with the demand for output and an appropriate workload. It represents a good compromise between the need for performance and people's social requirements.
- **Team** management is generally regarded as the most effective form. It offers a high level of support for the development of interpersonal relations, mutual respect, and trust, while generating maximum output from employees. Teams are motivated and productive; they have a common interest in the organization's goals and its success, and a synergetic effect is produced. The high-quality fulfilment of tasks is coupled with an enjoyable working experience.

It is advantageous to maintain a balance between orientation towards tasks and orientation towards people. Analyses of teams have revealed that effective working teams have a long-term rating somewhere between 5:5 and 9:9. The accomplishment of tasks and good relations lead to a feeling of success, which is essential for everyone; moreover, only successful individuals are capable of creating a successful team.

LEADERSHIP STYLES

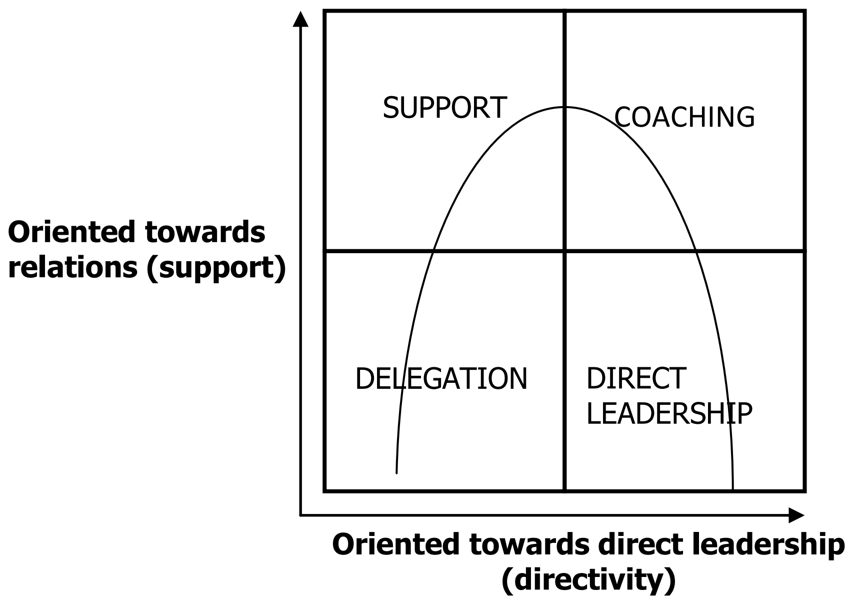
The attention of psychologists, sociologists, managers, and economists is often directed towards situational issues and the socio-psychological processes of leadership. One approach is situational management, devised by P. Hersey and K. H. Blanchard. Three variables are regarded as crucial in the leadership of people – the situation, the employee, and the leader of the team or organization. They assert that the style of leadership is affected by the quality and interrelation of these three elements.

1. In leadership, the situation often changes, because it is not possible to adopt a particular style without knowing what lies in store. The style of leadership is different when putting out a fire than when carrying out a research project. If a fire breaks out, then a decision must be made in seconds – there is no time to involve a number of people in the decision-making process. If all possible alternatives were to be considered, then a great deal of damage could be done. On the other hand, research projects do not demand immediate decisions; it is much more useful to consider a number of alternatives and

consult other experts. All the members of the team may participate in the decision-making process.

2. Employees all have different professional backgrounds – some are older and more experienced, while others are younger and more enthusiastic. All of them have different competencies, while their motivation and readiness to share in the tasks of the team are different. If leaders consider the people who actually make up their team or organization, the strengths and weaknesses to be utilized or avoided, and who should work together and who should not, then a much better result will probably be achieved.
3. Leaders are also limited by their characteristics, abilities, and professional experience. They seek their own styles, leading their first teams in one particular way, subsequent teams in another, and also work with particular teams differently at the beginning than after a certain period has elapsed. Time, experience, and mutual familiarity also play an indisputable role in the style of leadership. All this is dealt with by the concept of situational leadership.

Figure: Situational leadership



Let us look more closely at the leadership styles depicted in the diagram. The similarity with the managerial grid is no coincidence; however, the originators of situational leadership have added another dimension to the managerial grid. The vertical axis depicts the level of support for relations, which increase from the bottom upwards. The horizontal axis depicts the level of direct leadership, increasing from left to right in the direction of the arrow.

Direct leadership involves one-way communication from the leader to the subordinate, the specification of tasks and targets, the setting of deadlines, and the planning of work, orders, deciding for others, leading working tasks, control, and the assessment of professional output. The relationship of the superior to the subordinate is clearly defined. A low level of direct leadership indicates that these forms of conduct are almost non-existent, while a high level indicates a marked incidence of such behaviour.

Support means an effort to understand and accept people and their opinions, mutual consultation, and the joint search for solutions. Leaders create an atmosphere of security, building trust and paying attention to the concerns and problems of their subordinates. If the level of support is high, then two-way communication exists, and relations approach those typical of a partnership. A low level of support indicates a disregard for any kind of orientation towards relations.

By combining both dimensions, four different styles of leadership are produced:

- **Direct leadership** – is characterized by a high level of direct decision-making by the leader, and a low level, or absence, of participation by subordinates. The leader identifies problems, specifies goals, and decides upon, commands, controls, and directs the work in hand.
- **Coaching** – is typified by a high level of both direct leadership and support. The situation could be compared to sporting clubs, where trainers demand superior performance, whilst simultaneously looking after the mental well being of the athletes, because they know that the former is dependent upon the latter. Leaders who act in this manner create plans after discussions with subordinates, explain targets and decisions, allow for two-way communication, win people over to the 'cause', and also issue commands and engage in control and assessment activities.
- **Support** – involves marked emphasis on support for people, with little direct leadership. Leaders encourage subordinates to engage in activities, work with them, provide them with support for their efforts, facilitate their decisions, and help them to form constructive opinions.
- **Delegating** – is characterized by low levels of direct leadership and support. It involves the delegation of competencies and the transfer of responsibilities from leaders to their subordinates. Leaders observe their co-workers, assign decision-making powers to them, and accept the decisions made.

The concept of situational leadership involves the use of a number of leadership styles, and the combination of these styles according to the situation, the abilities of the leader, and the level of employee development. The natural, generally favoured approach is a progression from Style 1 to Style 4. In the beginning, leaders usually select a direct and impersonal style. Having attained more security, they go on to discard this style, and begin to discuss things other than work with their subordinates; they become more relaxed and spontaneous. Once they have created a favourable atmosphere of mutual trust and security, they naturally begin to delegate competencies and tasks. They no longer need to assert themselves directly or play a supportive role.

Like leaders, their subordinates also require a certain amount of time to become experienced, adapt to their surroundings, train themselves, develop their competencies, establish contacts, and create bonds with their colleagues. Each level of leadership corresponds to a particular level of their employees' development, readiness for the performance of given tasks, and maturity.

- The style of direct leadership may be applied to new employees who do not feel confident, have yet to become aware of working conditions, and do not know what the substance of their work will be. They are enthusiastic about their work, and willing to learn, so little motivation is required. Direct leadership provides them with the necessary management, enables them to obtain the necessary knowledge and skills, and facilitates their orientation within the framework of their work and the team as a whole. Such a person could be described as an 'enthusiastic beginner'.

- Coaching is worth applying to employees who are better acquainted with their work, have gained certain professional knowledge, and are beginning to open up to others. After a time, employees may begin to feel a little disillusioned that things are not the way they seemed at the beginning. They begin to behave like frustrated adolescents. Continuously high levels of demand on their performance will lead to an increase in their professional competence, while increased support will stimulate them and boost their confidence.
- Support is most appreciated by professionally capable employees whose level of engagement has recently become erratic. At this level of development, they may seem uncertain or unenthusiastic, acting like 'hesitant pros'. They do not know what to do next, what direction to go in, and what their aspirations should be. What are their chances? Will they be able to become leaders themselves? Direct leadership is irritating to such people, because they know very well what to do, and when and how it should be done. However, they do need a great deal of stimulation, support, and understanding of their doubts and quests.
- Delegation is recommended in situations where employees are highly competent and independent, know all their organization's particular quirks, are confident, and enjoy the confidence of others. They are mature experts who do not need support, because they are already motivated, and do not need direct leadership, because they have a thorough awareness of the tasks at hand.

Leaders and employees undergo certain developmental stages, and the style of leadership must correspond to the given level of employee development. If the leader of a non-profit organization were to entrust a new employee with the co-ordination of a particular project without providing sufficient support and management, then this would probably lead to feelings of frustration and failure on the part of the employee concerned. If the same leader were to impose severe limitations on an experienced activist with big ambitions, the outcome would be aversion and a loss of motivation. As employees change and develop, so should the approach of the leader.

Another, similar classification is concerned with three styles of leadership (authoritative, consultative, and empowering), and three types of employee (instigators of change, co-operators, and executors). It is important to focus on the relationships that may arise between them – where a concurrence of expectations will occur, and where they will not. If an authoritative leader works with an executor, or a participative leader with an instigator of change, then there will be a marked accordance of expectations. However, if an authoritative leader works with an instigator of change, then a conflict of authority will emerge; on the other hand, direct co-operation between a participative leader and an executor will result in a vacuum of power. In other words, it is very important to differentiate between the people with whom you work, the tasks you should entrust to them, and the ways in which they should be led.

Effective situational leadership requires a three-dimensional perspective:

- Diagnosis – estimating the developmental levels of an employee or employees,
- Style selection – opting for one particular method of leadership,
- Flexible reaction – natural transitions from one style to another according to the situation, the level of employee development, and the leader's own leadership qualities.

LEVELS OF PERSONALITY DEVELOPMENT

In order to meet a role of a manager it is good to think of ones general fitting to a managing position.

American psychologist D.C. Mc Clelland says about four phases of personality maturity. There are following levels of personality development: receptive, autonomous, assertive and integrated. However, the level of personality development does not have to be related to the age, intellect or education.

Let us imagine a manager who is lead only by his or her own thoughts, who is patronizing the others and who is not able to establish equivalent relationships with the subordinated workers.

The power is concentrated in the hands of this person who is not interested in the opinion of the other workers and who does not see their views but only his own ideas and his time is of a "different" value compared to the time of the rest of the people. It appears that all the matter is egocentrically concentrated exclusively on this person. Such a person would probably belong to the lowest level of personality development to the **receptive level**. Typical statement of this development level is: "Subordinate workers, do not prevent me from fulfilling my tasks!"

Many of you have surely experienced a manager who has to accomplish all the tasks himself, who needs to have all of it under his control and who needs to know about all. Such a person is irretrievable, not able or not wanting to delegate the tasks on other persons, refuses any help because nobody else is able to do it as good as this person. Characteristic statement for this person would be: "I cannot leave the team because they would die without me!" If the behaviour continues and we do not talk about a beginning manager we should suppose that this person fits to **autonomous state** of personality development.

Assertive level of personality maturity consists in essentially competitive attitude towards others. The manager has to compare himself with the others and he needs to prove his higher effectiveness and better qualities. Furthermore, his visible attempts at self-asserting are occasionally successful. He competes not only with the other teams and organizations but also with his own subordinate workers and co-workers. New projects are promoted in a way: "who wins over whom". Skilful subordinate workers need to manipulate him in such a way so that he accepts their ideas and presents them as his own. Characteristic sentence is: "Those colleagues always need to have counter proposals, what are they up to?"

An **integrated personality** does not have to be self-asserting by all means; cooperation and pro social feeling are typical to this personality.

One discovers that in a certain level of psycho-social development, winning is insufficient and harmony and cooperation are of a higher value. This, however, does not mean that there is lack of opinion and no arguments. This represents cooperative solutions, tolerance with difference, respect and space for the others and active listening. Characteristic sentence for this personality development is: "Those discussions are sometimes too long! Our workers have their own potential and skills. Working in a team is a peasant thing. We could rely on people because each of them has their own competences."

TYPES AND SOURCES OF POWER

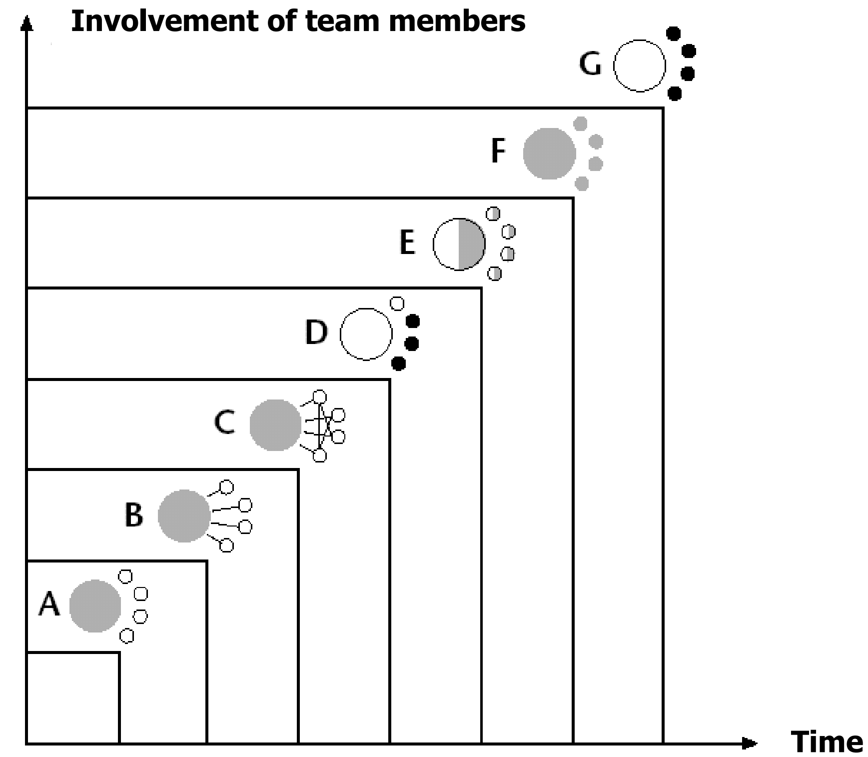
1. **Formal authority:** It is power derived from a formal position in the structure that contains privileges of decision. Judges, elected officials, parents, directors, etc, possess such power.
2. **Power of an expert (the owner of information):** It is power derived from the possession of expertise in a very specific field, or from information on specific events.
3. **Power of association (reference):** Power derived from connections with other people who have power.
4. **Power of sources:** Power derived from control over sources of values (money, raw materials, labour, and services). The negative version of this power is the ability to prevent utilization of the needed sources, or the power to force others to exploit the sources.
5. **Procedural power:** It is power to control procedures and processes that influence what kind of decision will be taken. It is power independent from power over the decision taking (e.g. power of the judge in the judicial commission).
6. **Power of repression:** Ability to put somebody in an inconvenient situation; ability to impose direct sanctions.
7. **Power of habit:** Status quo kind of power, coming out of the premise that it is easier to maintain the present state of things than change it.
8. **Moral power:** Power resulting from the pressure of universally respected values. Close connection to the power of conventions that say what is good and what is wrong.
9. **Personal power:** Power derived from the potential of personal qualities that support other people's sources of power, including self-assurance, ability to articulate ideas of others, understand the situation of others, understand what influences, or worries them, etc.

DECISION-MAKING

Most experienced managers connect leadership with decision-making and power; the approval of decisions and the handling of power are a part of every manager's daily routine. Let us first concentrate upon the issue of decision-making – not the individual consideration of alternatives, which is subject to various forms of personal motivation, but the decision-making process, is seen in a working team. The following diagram may be of assistance:

Figure: Participation in decisions and the effectiveness of the decision-making process

(Based upon work by D. Strauss).



○ team members who do not decide

● team members who

team leader who decides

team leader who does not

A – Decision by the team leader

B – Decision by the team leader after individual consultations

C – Decision by the team leader after discussions

D – Majority decision

E – Compromise

F – Consensus

The vertical axis depicts team member involvement increasing from the bottom up; on the horizontal axis, the left side represents the minimum, and the right side the maximum amount of time necessary for a given decision-making procedure. Seven ways of making decisions are portrayed:

A: Decision-making without consultation with employees; leaders makes a decision and inform employees of their position,

B: Leaders make decisions alone after consultations with a number of, or all, team members; consultations take place separately,

C: Leaders make decisions after joint consultations with the entire team; consultations take place in the form of team discussions,

D: Majority decision-making, preceded by discussions and the clarification of viewpoints; although this is relatively time-consuming, it increases involvement,

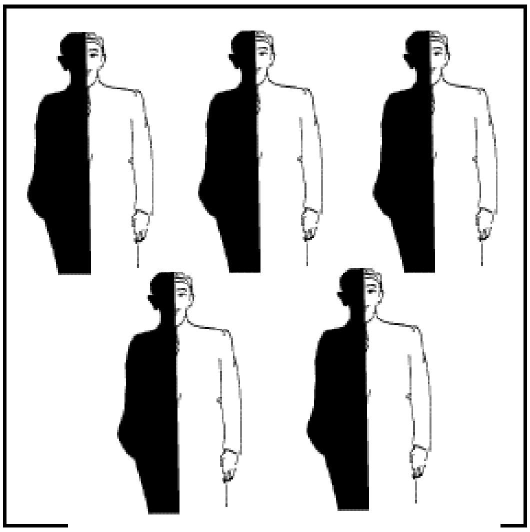
E: Compromise, i.e., reaching an agreement with a certain correction for the needs and interests of those involved,

F: The ideal situation – a consensus, where at least the basic needs of those involved are met, and everyone is prepared to respect the decision and apply it in practice,

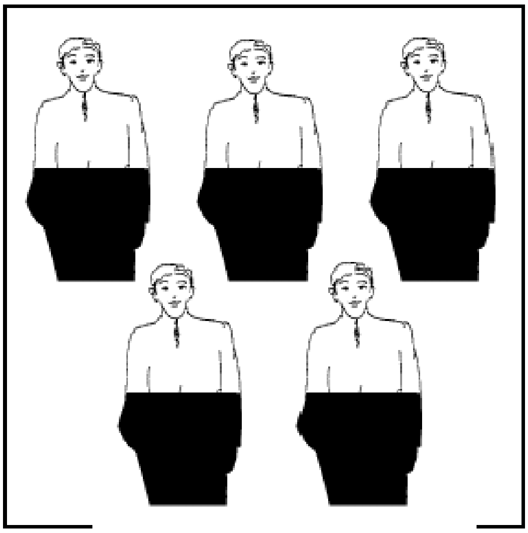
G: The delegation of decision-making to the team, allowing its members to decide for themselves. The level of involvement and the time required depend upon the chosen approach of the team to which the task is entrusted.

Figure: Forms of decision-making and compliance with interests

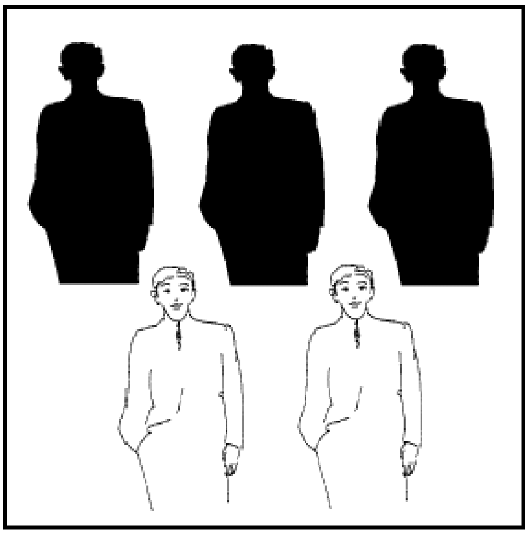
Compromise



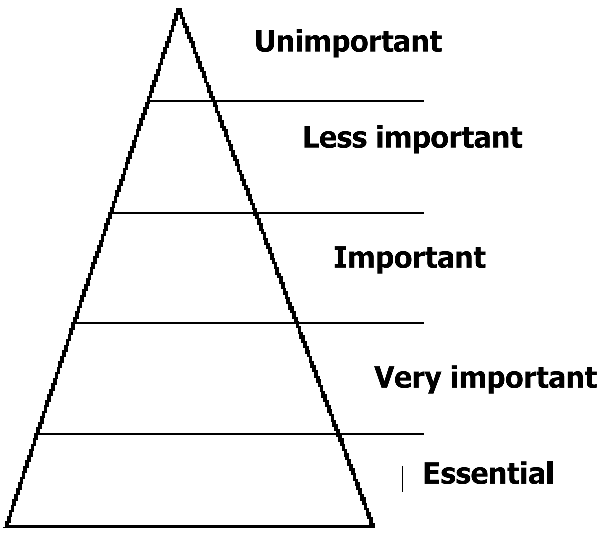
Consensus



Majority decision-making



Hierarchy of interests



The terms ‘majority decision-making’, ‘compromise’, and ‘consensus’ are occasionally regarded as interchangeable, and there is no clear difference between them. The diagram above depicts these forms of decision-making as a pyramid of interests. The triangle symbolizes the composition of interests. Those on the bottom are the most important, with less important interests above, and the least important at the top. The three boxes contain representations of human figures. The shaded area indicates that interests are met, while the white area indicates that they are not.

Majority decision-making only accommodates the interests of some team members, and completely fails to fulfil the needs of the rest. The ‘winners’ are separated from the ‘losers’; some people support the decision, while others are left with unfulfilled needs, leading to feelings of defeat, loss, and incomprehension. Majority decision-making may be appropriate if it is agreed upon in advance as a ‘fail-safe mechanism’ to be used as a last resort. People who fail to assert their opinion take comfort in the fact that all the other possibilities of reaching a decision have been exhausted, and particularly from the fact that no manipulation was involved in the voting process. However, let us imagine that the majority decision-making approach is used at a stage when two factions have already emerged – the majority and the minority. If such an approach has not been agreed upon in advance, then it may be used as an instrument for asserting the interests of the majority. Taking a vote on whether or not to use this method in such a situation could be interpreted as arrogance of the majority towards the minority.

A **compromise** partially accommodates the interests of all those involved, but does not take into account the significance of these interests. The feeling of satisfaction is greater than it is in the case of majority decision-making, but people still feel that, although the solution partially satisfies everyone, it does not completely fulfil the needs of anyone.

A **consensus** arises when at least the most important concerns of all those involved are accommodated. All those involved in the decision-making process have a feeling of victory, and no one feels defeated. Part of a consensus is the willingness to implement any decisions reached.

For an organization to function well, the greatest possible feeling of identification with the team is important, which is why a consensus is the best solution in this respect. Of course, it is not appropriate in every situation, because it is time-consuming; in times of crisis, authoritative decisions made by the leader are the most effective.

The decision-making process may also be reflected in the situational style of leadership. In the direct leadership approach, decisions made independently by the leader predominate. In the coaching approach, it is typical for decisions to be made by the leader after discussions with subordinates, and after explanations or the acceptance of their opinions. In the supporting, participatory approach, decisions are made by the leader together with the team, or by a team that holds a mandate from the leader. When using the delegation approach, members of the team make decisions alone.

However, let us return to individual forms of decision-making and try to determine where each particular form is appropriate. When selecting a decision-making strategy, you should consider:

- Which people are affected by the decision and in what areas they should participate,
- Questions of time – how much of it is available,
- The importance of the decision and its potential consequences,
- What information is necessary for a qualified decision to be made,
- Which professionals are needed if an expert opinion is decisive,
- What impact the decision will have on the working team, its members, and the current situation,
- The subject of the decision.

The question as to whether a good leader or good leadership is more advantageous is perhaps a topic of discussion for every organization and team - from both practical and theoretical regards. Leaders are undoubtedly important. Without them, it is difficult to ensure vision, the winning over of support, and the generation of enthusiasm. However, leaders are not as important as leadership itself; other team members may replace the individual benefits that leaders bring. Leadership may involve a number of people, or even a whole team.

All leaders must cope with the issue of how to simultaneously involve co-workers and support their participation while maintaining control and team performance. All leaders are forced to confront the dilemma as to whether they should make decisions alone or act as good managers of the decision-making process; they have a wide range of means at their disposal for the fulfilment of their role. If they do not come across as dictators or teachers, if they do not appear resigned or superior, if they do not restrict others, if they seek paths to agreement, and if they know how to make decisions, whilst sharing the decision-making process with others, then the situation in the team or organization concerned is very promising indeed.

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