

**TRAINING
OF
TRAINERS**

**GOVERNANCE
AND
LEADERSHIP**

18TH – 22ND JUNE, 2007.

SESSION ONE

INTRODUCTION TO GOVERNANCE

Session 1.1: Introduction (40 min)

What is Governance?

'Governance is the process by which a governing body ensures that an organisation is effectively and properly run - governance is not necessarily about doing it; it is about ensuring things are done'. (Adirondack, 2002).

Session 1.2: GOOD GOVERNANCE (20 min)

Good governance legitimises the existence and work of NGOs. If NGOs are well governed, have a relationship with the people on whose behalf they are working (sometimes called the constituency) and genuinely represent their views, NGOs have a right to demand that governments listen and consult with them in formulating legislation and policies. In other words, NGOs need to demonstrate their commitment to good governance in order to advocate on behalf of those for whom they work. **The board is central to good governance.**

The dominant concept of NGO board governance, which most donors promote, states that the board is the sovereign permanent body of the organisation which determines the mission, vision, strategic direction and policies of the NGO. The staff is employed to carry out the activities of the NGO that seek to implement the mission, strategic direction and policies decided by the board. This is the case for larger NGOs, at least those that employ some staff and a manager. If there is no staff, or just a few volunteers, then the board clearly has to play a bigger role in the operations of the NGO until the NGO acquires staff and a manager. If the NGO is a membership organisation, then the situation changes since the membership has a very strong influence, but the basic principles of boards and staff relationship remain.

The concept behind this approach is that NGOs (which are working for the public good) need governing boards, which are separate in function and authority from the activity focused management of the NGO. This is done to provide quality assurance and a guarantee to all stakeholders (beneficiaries, the public, donors, government, other NGOs) that the NGO is genuinely committed to its mission, that the intended beneficiaries do receive benefits, that there are good internal systems of management especially in finance/accounts and recruitment, and that the NGO is accountable to the authorities that provide the legal and financial framework within which NGOs work. Good boards contribute to the good public image of the NGO: the board is the guarantor of the NGO's mission and overall strategic direction.

Session 1.3: CONCEPT OF BOARD (20 min)

Key to the concept of board governance is the separation of powers and responsibilities (sometimes called delegation of authority) between the board and the staff. Although it is seen often as a Western concept it is nevertheless a model that has been arrived at over a long period of trial and error in different countries. Perhaps the principles involved are universal. Of course the model works best in cultures where a) board governors and chairpersons can be found who accept the powers and limitations of the model and its volunteer ethic and practice, and b) where NGO managers have sufficient trust in potential new governing boards to observe the rules of the model. In some transitional countries the model has difficulties in being accepted and absorbed since frequently neither of the two above conditions applies.

While the dominant concept of separation of powers and responsibilities between board and staff is simple, it is usually implemented in a variety of ways, depending on the age and size of the NGO and depending on circumstances and personalities. The important point is that the main principles are sustained.

SESSION 2:

THE BOARD

Session 2.1: Creating and forming the board (90 min)

Selecting board members

The constitution of the NGO should describe how many board members there should be and how and when they will be selected. It is common practice for the election of the board to take place at the annual general meeting. There are no fixed rules about numbers but between 6 and 12 members is usual, depending on the size of the NGO. The ideal, especially in membership NGOs, is for the board to be elected to ensure openness and accountability.

An alternative to elections (for example where the organisation does not have members) is for the constitution to specify the composition of the board, for example, the inclusion of representatives of local community groups, other NGOs, beneficiaries or users of the organisation, specific groups of people and members of the public.

Whether the constitution specifies selection or election, it is good practice for the board to include the representatives of those people it seeks to serve, to ensure their voice is heard. It may also make provision for certain groups that experience discrimination in becoming representatives, for instance, women, people from ethnic groups, people with disabilities etc.

Often the constitution will make provision for the co-option of a certain number of board members. This facility may be used to invite onto the board someone whose skills or experience are felt to be necessary, for example, an accountant. A co-opted member may or may not be given a vote depending on the rules of the constitution.

NGOs are by definition non-governmental, independent from government and non-party political. The inclusion of government personnel or elected representatives on a board may in certain circumstances be useful for the NGO in terms of contacts and interpretation of government policies. However, the fact that they are representatives of government may compromise the image of the NGO as an independent body. A conflict of interest may also arise, if, for example, the NGO is under contract to the government to provide services (see section 5). If an organisation wishes to gain advice from a government official or representative, it may be better to use the co-option provision while excluding that person from voting.

Whichever selection method is used, the aim should be to create a board which contains a wide enough range of expertise and experience to make an effective governing body.

Resignation of board members

In exceptional circumstances, boards may wish to ask a member to resign if, for example, s/he is unable to fulfil the responsibilities of a board member. The circumstances in which a person may be asked to resign should be set out in the constitution: for example, a board member missing two meetings in a row, failure to declare a conflict of interest, or gross misconduct, such as criminal acts or behaviour that may bring the organisation into disrepute.

Attributes of potential board members

Potential board members should be able to demonstrate, or have the potential to develop, some or all of the following attributes:

- Commitment to the mission of the NGO
- Understanding of the needs of the organisation and its beneficiaries
- Willingness to commit time
- Willingness to use their influence and contacts to raise funds
- Willingness to use their influence and contacts to lobby on behalf of the organisation and its beneficiaries
- Good judgement
- Ability to think strategically
- Ability to work in a team and on confidential issues

Board membership and re-election

The constitution should detail how a regular flow of new board members will be recruited to ensure the board membership does not become static or stale. At the same time there is a need for continuity. Typically a board member will serve for two years before standing for re-election. Most organisations limit the number of terms that a board member may serve, usually to two or three terms. Alternatively a constitution may specify that one third of the members resign at the end of each term; this guarantees continuity while ensuring some new members. The length of time that a chair and other board officers can serve is also fixed in the constitution. It should also make provision for what happens when a board member dies, resigns or moves away. Often co-option is used to cover these circumstances until the next annual general meeting.

The volunteer board member

Board members work in a voluntary and unpaid capacity but can have their 'out of pocket' expenses paid. The principle is that a volunteer should not have to pay for costs incurred as a result of his or her voluntary activities. Organisations should establish a policy which states exactly when and which expenses can be claimed.

The issue of board members being paid for their services is different from the question of expenses. If a board requires expert advice or a service, for example, legal advice or a piece of research, and a board member has the expertise required, s/he would not normally be paid a fee or honorarium. This is because paying a fee to one board member might cause dissension among other board members who work on a voluntary basis and may also attract those who wish to sell their services rather than volunteer. Such circumstances would entail a conflict of interest and be contrary to good practice which demands that services should be provided on the basis of best value for money rather than personal association. A board member who wishes to undertake a contract for an organisation should first resign from the board.

Consortium NGOs

The main principles of board governance apply equally to consortia NGOs although the composition of the board is different. A consortium NGO will have a governing board, but this will be made up of the leaders or representatives of the NGO members of the consortium, all of whom have a major interest in the benefits the consortium will bring their own NGO. Here it is essential, if the consortium is to survive, that its board members suppress their natural tendency to wish to benefit their own NGO; instead, board members should address the consortium's needs, focusing on the issues and mission around which the consortium was established, for example, information sharing, advocacy and lobbying, training and mutual support. Where the consortium is mandated to authorise grants to member NGOs, a potentially problematic task, it is essential that the task is carefully managed. For example, this might be done by having non-board members sit on the allocations panel to ensure objectivity and transparent decision making. It is also essential that written criteria for the submission of proposals are established and widely distributed and that decisions are made against these criteria. Destructive internal consortium strife can easily develop if there is the slightest suspicion of irregularity or favouritism in the grant allocation process.

The consortium may have an executive staff, led by a manager. As with an individual NGO, the board/executive relationship should apply as has been discussed above. It is crucial for the efficient operation of NGOs and consortia of NGOs that there is a clear separation of roles and responsibilities and that boards remain responsible for policy and strategy while paid staff undertake the management and activities of the organisation. Attempts by boards to micro-manage the activities of organisations cause frustration amongst the manager and staff and result in stifling their creativity and commitment.

2.2: Roles and responsibilities of the board (90 min)

It is important that board members understand their crucial role in the organisation, since they are ultimately legally responsible for everything that the organisation does and how it does it. Some members, such as the chair, secretary and treasurer have special responsibilities which are explained below. All members have a particularly important responsibility to protect the values of the organisation and to ensure accountability and transparency. It is useful for board members to have a job description, setting out their roles and responsibilities. A job description for a board member could easily be drafted from the section on roles below.

Managers attend board meetings to present reports and inform the board but also to communicate decisions made to the staff and ensure implementation.

2.2 (a) Roles

- Define, safeguard and review periodically the values and mission of the organisation
- Ensure that the organisation has a clear strategic vision and that its work is effectively planned and reviewed

2.2 (b) Monitor progress

- Ensure that the organisation complies with its constitution and any relevant legislation, and is pursuing its aims as defined in the constitution
- Ensure that the organisation acts in the interests of its beneficiaries
- Ensure that there are high standards of operation, administration, financial management, evaluation and reporting in the organisation

2.2 (c) Support and monitor management systems

- Decide/agree the framework for the organisation's management, which strategic policies will be implemented and which long-term strategies will be followed
- Recruit, supervise, support and review the work of the manager and, if necessary, dismiss him/her
- Mediate when staff management is deadlocked and, if necessary, make the decision
- Support and develop the financial position of the organisation and ensure that money and other resources are used exclusively to achieve the objectives of the organisation
- Protect and oversee the management of the property of the organisation and ensure that any funds are invested properly

2.2 (d) Promote the organisation

- Represent and promote the organisation and its aims to outside bodies to enhance the organisation's image

2.2 (e) Safeguarding values

Values are the beliefs or guiding principles of the organisation. For example, an organisation may state that participation and consultation are central to its work or that an organisation works within the framework of human rights.

Boards need to ensure that the organisation demonstrates such values by:

- **Respecting the rights, culture and dignity of the men and women served or affected by the organisation's work (the beneficiaries)**
- **Devoting as much of the NGO's resources as possible to the organisation's work**
- **Ensuring that the organisation remains true to its mission and objectives and that its identity, integrity, methods and activities are not distorted, subverted, taken over or corrupted by external or internal personal or organisational self-interests**
- **Involving, where possible, beneficiaries as partners**
- **Collaborating and networking with other agencies around issues of mutual concern and interest rather than competing with them**
- **Maintaining high ethical standards at both organisational and personal level**

2.2 (f) Ensuring accountability

Accountability means being able to provide an explanation for the actions or conduct of the organisation or a member of the organisation (whether chairperson or manager). This is especially important for NGOs that work with, or on behalf of, poor or disadvantaged people and that raise funds on this basis. The organisation is accountable to the following stakeholders:

- Members of the organisation
- Beneficiaries
- Funders, and those organisations with which it has contracts
- Other NGOs broadly involved in the same sort of work
- The public
- The state

Boards must ensure that the manager develops mechanisms for communicating with its stakeholders. For example, beneficiaries are key stakeholders and the people on whose behalf the organisation advocates. Therefore there should be ways in which the organisation consults with beneficiaries in order to define the key messages of advocacy.

Board members are also responsible to stakeholders for ensuring financial accountability. This means being aware of the state of the finances of the organisation, being able to interpret the financial reports made by the finance officer or treasurer and ensuring that donor funds are spent on the activities for which they were granted. Board members should monitor to ensure that reports and accounts are sent to donors at the correct times and in the format specified by the contract or project agreement.

Board members can improve accountability by ensuring that the organisation works transparently.

2.2 (g) Ensuring transparency

Transparency means being open about decision making and about the work with members, beneficiaries, other organisations and the general public. In other words being transparent in its dealings with all stakeholders. The board should monitor to ensure that the organisation's objectives and activities are understood and known about. Literature and media coverage should communicate:

- The organisation's mission, objectives and policies
- The organisation's principles and values
- Its methods, activities and achievements, including evaluations and analyses of the organisation
- Its geographical scope
- Its organisational structure and especially how it is controlled and managed
- Its constituency, affiliations and links to other organisations
- Its sources and uses of funds

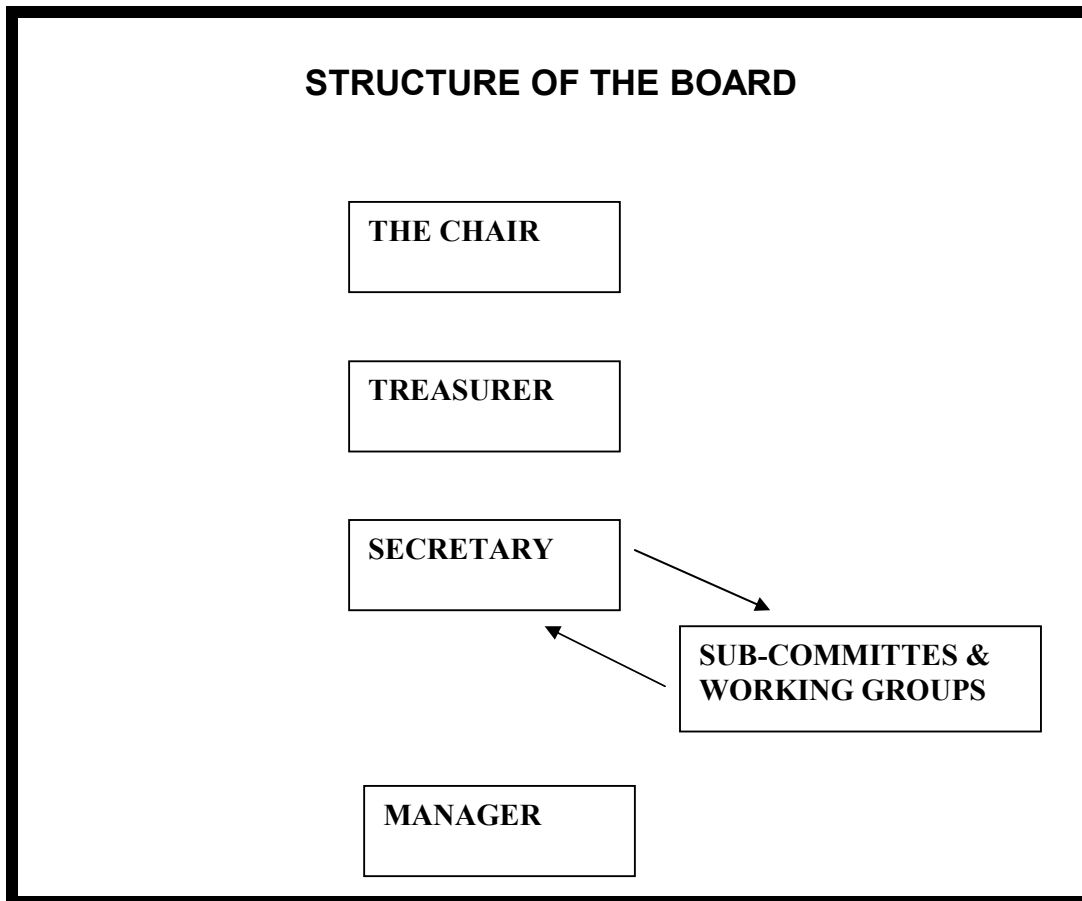
This information can be widely disseminated by:

- **Publishing and disseminating annual reports or reviews and financial statements, as well as reports on particular activities and on the results of reviews and evaluations**
- **Using the media to tell the public about the work**
- **Mounting public education programmes where appropriate**
- **Maintaining regular dialogue with government and other relevant agencies**
- **Participating in NGO networks**
- **Creating and maintaining a website, where possible**

2.2 (h) Transparent decision making within the board

The board should ensure that the decisions that they make at meetings are properly recorded in minutes. Minutes should make a summary of what is said but must record decisions made, who is responsible for implementing the decision and the time frame within which action will be taken. At the next meeting the minutes can then be checked for accuracy but board members can also question whether action has been taken. Minutes should be stored in date order and should be accessible to board members and staff. Posting the minutes on a website also guarantees transparency.

2.3: Board officers and their responsibilities (60 min)



2.3 (A)The chair

The chair (or secretary general) of the board is the key position. The chair leads the board, making sure that members of the board fulfil their responsibilities for the governance of the organisation. The chair works closely with the manager, supporting him/her in achieving the aims of the organisation. In most organisations, especially new ones, it is common practice for the chair to offer support to the manager by meeting with him or her between board meetings to review progress. When a manager is first appointed these meetings could be frequent and very informal to establish the relationship. Given the prominence and importance of the role of chair it is clearly important that the chair is very carefully chosen and that his/her succession is planned well in advance.

- RESPONSIBILITIES OF CHAIR**
- Lead the board in setting out the strategy and policy of the NGO/Consortium
 - Plan, with the manager, the annual cycle of board meetings
 - Set agendas for board meetings in consultation with the manager
 - Chair board meetings
 - Ensure minutes are taken and checked for accuracy before distribution
 - Monitor that decisions taken at meetings are implemented
 - Communicate regularly and openly with the manager

2.3 (b) DEPUTY/VICE CHAIR

The deputy chair or vice chair takes on the functions and responsibilities of the chair, in his/her absence (this also needs to be written in the constitution). It is vital to appoint someone who can act in the place of the chair if, for example, s/he is travelling abroad, is ill, resigns or is unavailable for whatever reason. Failure to appoint a deputy may mean that the organisation is unable to take urgent decisions and cannot move forward.

2.3 (c) THE TREASURER

The treasurer oversees the financial affairs of the organisation, ensuring its financial viability and that proper financial records and procedures are maintained. The treasurer should help other board members perform their financial duties by interpreting and explaining the accounts and accounting requirements and reporting essential information in such a way that members can understand it. In small organisations without financial staff, the treasurer may actually maintain the financial records and prepare budgets and financial reports. In larger organisations he or she may support and monitor the work of the finance officer.

RESPONSIBILITIES OF TREASURER

- Plan for the financial security and long term sustainability of the organisation
- Present financial reports to the board and annual general meeting (AGM)
- Keep the board aware of its financial responsibilities
- Ensure that appropriate accounting procedures and controls are in place
- Be assured that the financial resources of the organisation meet its present and future needs, especially cash flow

2.3 (d) THE SECRETARY

The role of the secretary must be distinguished from that of 'secretary general' who in some organisations is the constitutional head of the organisation and in this text is referred to as the chair. The secretary supports the chair by ensuring the smooth functioning of the board. This role may be carried out by a member of staff, working with the manager, rather than a board member. In some cases the manager plays the role of secretary to the board. However, paid staff would not have a vote on the board.

RESPONSIBILITIES OF SECRETARY

- Receive agenda items from board members/staff
- Prepare agendas with the chair and manager and circulate these with other relevant papers required for discussion
- Make sure that all arrangements for board meetings are in place (room, equipment, refreshment etc)
- Check that a quorum will be available and is finally present (a quorum is the number of members that must be present to constitute a valid meeting—for example a third or half the total number of board members. The quorum for board meetings should be defined in the constitution)
- Take the minutes of the meeting, ensure the minutes are approved by the chair and then circulate them. Minutes are then approved at the next board meeting and signed by the chair

2.3 (e) SUB-COMMITTEES AND WORKING GROUPS

Normally a board will meet monthly, bi-monthly or quarterly. If the organisation becomes larger it may be useful to establish sub-committees of the board or working

groups. These are smaller groups composed only of board members (and co-opted members who may be asked to join to give expert advice). Sub-committees may meet more often than the board and take on specific responsibilities, for example fundraising or finance and accounts. Their role is to go deeper into a subject than is possible at periodic board meetings and to make recommendations to the board. The remit for a sub-committee should be clearly defined by the board and its decision-making powers set out in writing. For example, it may be that the sub-committee is given powers to make limited decisions on a specific issue or given a remit to make recommendations to the board. Sub-committees are created by the board to support the board and their powers should be clearly defined.

FUNCTIONS

- Deal with urgent matters between meetings of the full board
- Prepare specific issues for board meetings
- Help the manager to represent the organisation
- Act as an effective link between staff and board
- Sit as recruitment panels for senior staff appointments
- Sit as an evaluation panel for new members
- Sit as disciplinary panels
- Act as a final court of appeal for serious disciplinary matters

Sub-committees can carry out aspects of business of the organisation. Normally the constitution sets out the powers of the board to appoint sub-committees and defines the scope of their membership. Sub-committees can focus clearly on specific topics and use board members' expertise efficiently. If well organised they can speed up the work at the board meeting and prevent the board from losing its overview of the organisation.

Working groups are time-limited, task-orientated groups set up to investigate, discuss and make proposals to the board about a particular project or issue by a given date.

Sub-committees and working groups should be given written terms of reference that should include:

- Name of group
- Membership
- Purpose (why the group exists)
- Delegated authority (whether it has decision making powers or purely advisory)
- Frequency of meetings
- Duration of meetings
- Chair (named person or name of office)
- Serviced by secretary or minute taker
- Reporting procedure (to whom)
- Quorum (the minimum number of members to be present before the group can make decisions)

Session 2.3 (f): THE MANAGER

The manager plays a very important role in ensuring good governance and developing the board's knowledge and strength. The relationship between the manager and the chair of the board is the most important one in the organisation.

It is the responsibility of the manager to:

- Maintain a good working relationship and good communications with the chair of the board.
- Keep the board informed about the progress of the organisation against its strategic plan indicators: are the targets set being met? Many donors demand logical frameworks (log frames) to accompany an organisation's proposal. The log frames set out indicators by which progress will be monitored.

The manager should:

- Provide the board with essential documents or information relating to activities, new developments, major problems internally or externally, any senior staff changes, key funding and financial reports.
- Provide draft strategic or policy papers for discussion and agreement with the chair, prior to their circulation to the board.
- Provide orientation and induction for new board members.

Session 2.4

THE ROLE OF THE MANAGER IN THE ORGANISATION

(90 min)

Session 2.4 (a) It is useful at this stage to introduce the role of the manager in relation to the organisation, its staff and activities, as opposed to his/her role in supporting good governance. From this it can be seen how complementary but different the two roles of manager and chair are; ideally the two roles should work in close partnership.

Organizational Roles

- Setting the organisation's direction and developing strategies to achieve maximum long-term effectiveness. This role will be carried out in consultation with the chair of the board that, with board members, is ultimately responsible for longer term strategies and directions.
- Drafting policies for board decision and then executing board policies after board approval.
- Forming alliances, coalitions and networks with other organisations and constituencies. The board needs to be kept in touch with these initiatives.
- Managing all activities and staff, including project activities, finances, budgets, accounts, fundraising, human resource development, advocacy, information and publicity and networking. The progress in all these activities would normally be reported in written format and verbally at board meetings, to enable the board to ask questions.
- Ensuring effective internal systems for example, financial and cash flow control, budgets and their monitoring, recruitment, human resource development, fundraising, monitoring and evaluating performance of the NGO in its strategic role and in its projects and programmes. The board needs to know that these systems are in place, are working effectively and what the learning from this monitoring is, especially at the strategic level.
- Recruitment of all staff, especially leaders and managers under a set of procedures. Termination of staff contracts where necessary, under a set of written procedures. Senior staff hiring and termination should be carried out while keeping the chair informed and involved in the processes.
- Written reporting to the board on an agreed timescale, content and format. Keeping in close contact with the chair between board meetings on, for example, new developments, troublesome issues (especially staffing matters), and government/donor shifts of policy.

Session 2.4 (b): THE RELATIONSHIP BETWEEN; THE CHAIR OF THE BOARD AND THE MANAGER

This is the key relationship within an NGO. It should be based on mutual respect, and recognition that each is dependent on the other. There needs to be close teamwork and a partnership, and, above all, mutual recognition of the boundaries of their separate roles and responsibilities. Both are working for the same organisational purpose but their responsibilities and tasks are different. It is clearly a complex relationship and one that needs nurturing by both parties. In law and constitutionally, the chair and his/her board carry the ultimate responsibility, accountability and authority. In practice, however, the board and the staff know that on a day to day basis, it is the manager who is the responsible party and who exercises power.

If the chair of the board and the manager disagree on the boundaries of their different roles this will result in serious problems in the NGO. If the manager feels that the chair does not respect the manager's right to manage the organisation, this will result in internal problems. The manager will not feel empowered to act and staff will be confused as to whom they are responsible and accountable. Likewise the manager has to respect the chair's role in overseeing the accountability of the organisation between board meetings. The respect and legitimacy of the organisation, as seen by donors and other stakeholders, depends on both good governance and good management.

SESSION 3
CONFLICT OF INTEREST

Session 3: Conflict of interest

SESSION 3.1: WHAT ARE CONFLICTS OF INTEREST AND HOW CAN THEY BE AVOIDED? (30 min)

Conflicts of interest arise when individuals or groups of people established in positions of power, authority or responsibility in an organisation use their position to benefit themselves or their family or their own organisation. The benefits sought may be financial or gains of employment or political influence. Within the NGO world conflict of interests commonly occur in relation to the allocation of funds or contracts or when people are recruited for paid posts. Organisations that fail to address conflict of interest as a serious issue undermine their own credibility and the legitimacy of NGOs in general.

It is a board's role and responsibility to ensure there are no cases of conflict of interest within the organisation.

Some examples of conflict of interest:

- The chair of a board or the manager influences the recruitment and selection process to benefit a relative or friend. The result of such action is to give the manager or chairperson increased power within the organisation, effectively undermining the expected roles and responsibilities and causing discontent within the staff. Open and frank dealings with other organisations are also at risk as such connections inevitably become known.
- The board has to award a contract to a private sector firm or another NGO. The chair, or one of the board members, has close financial or business connections with this contractor/NGO, but does not reveal his/her connections during the decision process regarding the award. If the award goes to the firm with an 'inside' connection the credibility of the organisation is eroded.
- A consortium has the power to allocate a grant to a member NGO or to another organisation. A member of the awarding committee is also a member of one of the member NGO applicants and therefore has a direct interest in the outcome of the proceedings. Again, such a situation is in direct contradiction to transparent decision-making.

The above are not untypical examples of conflict of interest in NGOs. Often the board, chair or manager is not aware of the concept of conflict of interest and thus sees nothing wrong in indulging in such practices.

While this kind of behaviour occurs and is sometimes condoned, it is not acceptable in the NGO sector which is meant to have a mission to support poor or disadvantaged people. The ethics of public service organisations prohibit such practices. NGOs need to be above suspicion if they are to retain the respect of their beneficiaries, the public and donors.

SESSION 3.2: HOW TO PREVENT CONFLICT OF INTEREST (60 min)

Good rigorous procedures are a first step in preventing such abuses. For example, it is good practice for an individual to signal in advance her/his interest in the outcome of a joint decision if s/he has a conflict of interest. Fair recruitment and selection procedures are also vital in ensuring good practice.

All board members and senior staff should reveal to peer colleagues (that is board members or management team) in advance, any relevant conflict of interest where a collective or individual decision is to be made. The colleagues can then decide whether or not that person should have any say in the decision making process.

Where recruitment of staff is concerned the best method of avoiding conflict of interest is to establish rigorous recruitment procedures based on equal opportunities. Such procedures try to ensure that the person best qualified is selected for the job.

Session 3.2 (a): Fair recruitment procedures include the following steps:

1. Advertising the job vacancy in places to attract a wide variety of potential applicants. The advert should include the organisation's commitment to equal opportunities: that is stating that the position is open to all applicants regardless of sex or marital status, race or ethnic group, religion, disability, sexual orientation or age. The advert should include a summary of the job description and basic terms.
2. Applicants will write in asking for details of the job.
3. A job description, the terms of the contract for the job, a person specification (stating the essential and desirable educational qualifications, experience and skills) should be sent to all applicants with an application form and a deadline for returning the completed form.
4. The applicant sends in the completed form. Application forms are used to ensure that the same kind of information is required of each candidate and to allow easy comparison of that information. Some organisations may allow applicants to complete and submit applications on-line. However, if this is the only method allowed it could discriminate against those without computer access.
5. A short-listing procedure is carried out by the same team of people who will conduct the interviews. Short-listing takes place against agreed criteria that are drawn from the job description and person specification. Those applicants that are short-listed are informed of the interview date.
6. Interviews are held. The interview questions should be drawn up to reflect the main criteria identified in the job description and person specification. After each interview the panel should score the candidate on the agreed criteria. If some criteria are more important than others they can be weighted in the short-listing and interviewing process, for example, given a higher number of points. The candidate who most nearly meets the agreed criteria and whose scores are highest should be offered the post, subject to adequate references.

Session 3.2 (b): A note on choosing the interview panel

The panel should include a balanced mix of persons. This would normally include the manager, the chair (for senior positions), a staff member, a member representative in the case of consortia and possibly a respected and experienced person from outside the organisation. It is good practice to signal the organisation's commitment to equal opportunities by, where possible, including on the interview panel people who may represent groups experiencing discrimination, for example, a woman or a representative of a specific ethnic group.

Though this recruitment process may seem long, unwieldy and expensive in time, it is an important procedure. The effort is necessary to choose the person who is best for the job and who will enhance the work of the organisation. Such procedures also signal a clear commitment to tackling nepotism. The recruitment processes of the organisation will be noted by stakeholders and if well carried out will add to the reputation of the organisation. A job advertisement, for example, carries messages not just to potential applicants. Time and thought spent on recruitment is time well spent for the organisation.

Summary of basic rules regarding conflict of interest

- Any board member who has a financial or other personal interest in a matter under discussion should declare the nature of his/her interest and withdraw from the decision making process, unless he/she has a special exemption allowing him/her to speak.
- If a board member has any other interest which does not create a real danger of bias but which might reasonably cause others to think it could influence the decision, the board member should declare the nature of the interest and let the other board members decide on whether s/he should be included in the decision making process.
- If there is any doubt about the application of the rules the person should consult with the chair.
- Board members who fail to declare a conflict of interest should be required to resign after due process.
- Board members' external financial interests could also be listed in a register which is accessible to all.
- Institute fair recruitment and selection procedures based on equality of opportunity.

Session 3.3 : BOARD MEMBERS' EXPENSES AND PAYMENTS (30 min)

Session 3.3 (a): Expenses

It is sensible for every board to list allowable expenses and costs that members may claim in the course of their activities as a board member. Typically these might include: transport expenses to and from the board meeting, overnight lodging if appropriate, subsistence allowances, the financial limits for these and the occasions when these can be claimed. Receipts should be received against each cost item paid for by the organisation.

Session 3.3 (b): Payments

These are awarded in some NGOs in addition to expenses incurred, for example, when a board member who is a lawyer provides legal advice to the board. It is strongly recommended that no payments are ever made to board members. This is a zone where real problems can arise. If a person is to be engaged to offer paid services to an organisation he or she would normally be expected to step down from the board.

SESSION 4

IMPROVING THE EFFECTIVENESS OF THE BOARD

Session 4:

IMPROVING THE EFFECTIVENESS OF THE BOARD

Board members need information and support from the organisation to enable them to fulfil their role effectively. Both board members and staff are responsible for ensuring that they receive this. A thorough induction process and proper preparation for board meetings are key to ensuring the board's effectiveness.

Session 4.1: Understanding the organisation (20 min)

Board members should ensure that they know and understand the following:

- The mission of the organisation
- The constitution and any other formal documents such as policies and strategies
- The areas and programmes within which the organisation works
- The organisation's management and staff structure
- The board's procedures

Board members should come to meetings well prepared, having read all the board papers in advance. Board members need to ask relevant sorts of questions and should not be afraid to push for satisfactory responses; they should ask for additional information if they feel they cannot make up their minds with the evidence presented. If they are worried about an issue they should raise it with the chair or, if appropriate, at the full board meeting.

It is important that board members are known to the staff and trusted by them; thus it is useful for them to visit the office occasionally with the prior agreement of the manager. However, board members must remember that their visit should not be to pursue a particular point of interest or interfere in day to day management but to get to know better the staff and their activities. At all times the board member has to keep in mind that his/her role is governance, not doing the job of the staff or making suggestions for improvement in staff actions.

Session 4.2: Inducting new board members (15 min)

It is important that new board members receive a thorough induction process, including written information and an orientation session. The purpose of this is to ensure that new members fully understand the organisation and their role in it. An orientation session, before the new member's first board, should include a presentation of the organisation, its history, its structure and activities by a mix of staff and members while the chair should explain the role and responsibilities of the board. A new board member will also want to visit projects to understand the activities of an organisation and meet some of the staff. At the first board meeting new members should introduce themselves stating their interest in the organisation, any previous links, and what skills and experience they consider they bring.

All new board members should be given an induction pack. This should include:

- A history of the organisation, its original purpose and any later changes of direction
- Statements of the organisation's values, vision, mission and objectives
- Information on current work and details on current donors
- Details of other board members, including contact numbers, addresses and brief summaries of their expertise
- The structure of the organisation, key staff and their job title and responsibilities
- A recent annual report and accounts
- A copy of the constitution
- A copy of any rules for board meetings that have been adopted
- Roles and responsibilities of members and job descriptions of the chair, treasurer and secretary
- A recent set of board papers and minutes
- The manager's job description
- Major policy documents
- Dates of forthcoming meetings
- Copies of policies, for example, recruitment selection, travel expenses, discipline and grievance procedures

The chair and the manager should jointly arrange for the induction of new board members: the chair dealing with board issues and the manager arranging project visits and opportunities to meet the staff. Many organisations combine their induction materials into a board members' handbook.

Session 4.3: Ensuring effective meetings (45 min)

The quality of decisions that the board will make depends on planning, preparation, and the efficient running and chairing of the meetings.

Session 4.3 (a): Board meetings have many functions and should aim to:

- Receive information
- Consult board members on their opinions and feelings
- Discuss important policy and strategic issues
- Decide on important policy and strategic issues
- Review or ratify previous decisions

Session 4.3 (b): The components of a good board meeting include:

- Plans for a meeting made well in advance
- A detailed agenda sent out at least a week in advance
- Agenda items listed in a logical order, with the most important early in the meeting
- Clear, concise reports relating to the agenda items sent out for information, discussion or decision
- An indication of the time allowed for each agenda item and an agreed finishing time for the meeting
- Accurate minutes that summarise discussion, state clearly any decisions taken and who will implement them and further action to be taken, by whom and by when

Session 4.3 (c): All members should prepare for board meetings by:

- Reading the papers
- Thinking about the issues to be discussed
- Making notes of points they wish to raise

Session 4.3 (d): The chair should manage the meeting by:

- Adhering to any rules for meetings adopted by the board
- Keeping the discussion focused on agenda points and not letting it get drawn into irrelevant detail
- Stimulating discussion and encouraging quiet members
- Diplomatically managing members with a tendency to lengthy speeches or to elaborating their pet subjects
- Summing up for the minute taker and the record at each occasion when a decision has been reached
- Taking a vote when unanimity of members is not present

Session 4.3 (e): Board members should participate by:

- Drawing on their own expertise, where relevant
- Asking questions and pressing for reasons to the answers given
- Allowing others to contribute
- Knowing what to look for in a budget or plan

Session 4.3 (f): Voting practice

Ideally a board should make unanimous decisions based on consensus. However, this is not always possible. If, after debate and discussion, a consensus cannot be reached, a vote is taken and the view of the majority becomes the decision of the board. Members are bound by the decision of the majority, provided the meeting has a quorum. If there is no quorum for the meeting or at the time of the vote, then the meeting has no constitutional status and no valid decisions can be made. A meeting without a quorum is not a board meeting. If there is a tied decision, the chair has the casting vote.

Board meetings work best when members act as a team. It can be useful to invest in team building so that members can get to know each other, develop trust and mutual respect, and understand each other's expertise.

SESSION 5

DEALING WITH GOVERNANCE PROBLEMS

SESSION 5: DEALING WITH GOVERNANCE PROBLEMS

(60 min)

There are usually two main governance problems: weak boards or boards that are too involved in the day-to-day management of the organisation.

A weak board will result in an organisation controlled by the manager, the staff and volunteers, often with no systems of monitoring of progress, performance or financial management. There is a very real risk of individuals pursuing their own ambitions and agendas rather than focusing on the beneficiaries. The organisation may eventually lose its credibility and funding will become problematic.

This situation often arises in an NGO where the founder-manager recruits a board perhaps because the law insists on boards of governance, as do the donors. The widely used habit is for the founder-manager to recruit a group of individuals who are either friends or people with experience but who have no wish to govern the organisation. Sometimes such a group is in effect an advisory group but may be described as a board of governance if the donor asks questions. The founder-manager remains the sole source of power and authority, regardless of titles. There may be no real governance.

This situation can work well for a period but it will be increasingly difficult for the manager to recruit quality staff, systems of monitoring and planning will not be introduced and bad practices will inevitably result. There will eventually be a confrontation with either the donors or the staff and if the manager then wishes to leave, or there is some sort of coup, there will be no exit strategy or help to assist the organisation to its next stage. The board then finds itself with an organisational shipwreck owing to its amateur behaviour, over-reliance on friendship and lack of professionalism. The main losers are the beneficiaries and the reputation of the NGO sector.

Another version of the weak board problem occurs when the board is dominated by an over-strong chair. He or she may seek to manipulate members of the board to achieve his or her ends, or simply discount opposing views. It is important that every board member remembers his or her responsibilities in terms of decision making and their ultimate legal liability for the organisation. Likewise chairs must remember that their responsibility is to lead a team and work towards consensus rather than 'divide and rule'. A board that has fully considered its decisions and worked through how to deal with problems and resolve disagreements is much more likely to provide effective leadership for the organisation.

At the other end of the spectrum, an over-strong board that becomes too involved in the day-to-day work of the organisation, trying to control all aspects, will cause conflicts with the professional staff. The term used to describe this is micro-management. The result is often an organisation which achieves far less than its potential, since staff and manager have little scope for making decisions, and thus the beneficiaries lose out and the best staffs resigns, while potential quality staff recruits learn of the board's intrusive governance style and avoid the organisation.

Often this situation is brought about by an over-dominant chair. It is the opposite of the model of governance under discussion.

This last problem typically arises when organisations are in transition from being run by volunteers to employing staff. Some board members, especially those who helped found the organisation, may have trouble 'letting go' of control of the day-to-day work.

There are few obvious solutions to these sets of governance problems. It all depends on the honesty, good will and commitment of leading individuals at board and staff level to bringing about serious change to enable the organisation to go ahead and pursue its purpose. Very often the best way to start and continue a process of change is to bring in an outside experienced person or organisation who/which can be trusted and who/which has the skills to work with an organisation and help the organisation to manage change. This may take some time. These sorts of specialists or organisations are called organisational development specialists. Good quality specialists are rare and in much demand.

Organisations do take time to develop and change and it is to be expected that newly formed organisations cannot do everything at once. It is important to understand what a model of good governance constitutes and systematically put in place the procedures that will allow the organisation to adopt good practice. Boards should take time to evaluate and appraise their performance. This might be done by using the 'good board' checklist as a basis for an open discussion or by drawing up an evaluation sheet to find out individual views confidentially.

SESSION 6:

APPRAISAL, DISCIPLINE AND GRIEVANCE PROCEDURES

**SESSION 6: APPRAISAL, DISCIPLINE AND GRIEVANCE
PROCEDURES**

These are essentials for any organisation and NGOs are no exception. The board needs to have agreed the procedures with the manager, especially since the board can be called in to play a role.

Session 6.1: Appraisal (15 min)

Many organisations put in place appraisal systems. Appraisal means evaluating a person's performance against his/her job description and the tasks allocated to him or her. Where organisations have adopted an appraisal scheme, the chair of the board will be responsible for appraising the work of the manager and the manager for appraising the work of the staff. These schemes provide regular opportunities for staff to talk about work and agreed tasks. Each worker within an organisation will have a job description and perhaps a plan of work which sets out his or her tasks over a period of time. This plan will have been developed jointly by the chair of the board and the manager, or the manager and the staff member concerned. The appraisal meeting, which may take place every six months or year, can focus on the tasks achieved and also set priorities for the forthcoming period. In most organisations, appraisal schemes operate alongside team meetings which focus on the regular, weekly work and will also set short term tasks and activities for individual and groups of workers. The appraisal meeting is an opportunity to talk about personal performance and achievements.

Session 6.2: Discipline and grievance procedures: the rationale (15 min)

These procedures exist to ensure there is an agreed way of handling disputes at work. They are used when informal methods of resolving staff issues have failed. They provide protection for staff and managers, for example, against unfair dismissal. They set out rights and duties of both parties and include time limits and rights to representation. These procedures should form part of a staff handbook on procedures and matters such as annual leave, travel allowances, salary scales and increments, working hours, recruitment procedures, annual staff assessments, maternity and paternity leave, sickness absence etc. Staff handbooks should be developed by the staff and manager and approved by the board. All staff and board members should have a copy.

Below are examples of outline grievance and discipline procedures setting out the key stages. In practice there are many variations.

Session 6.3: Grievance procedure (15 min)

This procedure should be used when a staff member has a problem that cannot be solved by informal methods. The normal procedure is that the staff member should in the first instance raise the issue with his or her line manager. In many small NGOs this will be the manager and therefore, for simplicity, this procedure uses the term manager. Where there is a larger staff and a line management structure, an additional stage may be inserted after stage two where the staff member can complain to the manager before raising it with the board.

Stage 1 A staff member raises an issue with the manager. This is discussed informally. If there is no agreement or resolution within 2 weeks, the procedure moves to stage 2.

Stage 2 The staff member puts the complaint in writing and

Session 6.4: Discipline procedure (20 min)

Stage 1 If the manager thinks a staff member's work is unsatisfactory or his or her behaviour is causing concern, an informal meeting is held to discuss it. If there is no improvement or change the procedure moves to stage 2.

Stage 2 If the manager considers that the misconduct is serious or that the informal warning was not heeded, he/she writes to the person explaining the situation and issues a formal written warning. A record of this formal warning should be kept. If there is no improvement in the situation, the procedure moves to stage 3.

Stage 3 If the behaviour or misconduct continues, the manager writes to the person and arranges a meeting within 7 days. At the meeting the person states his/her case (the staff person can bring another staff member or a representative to attend). The manager conducts an investigation and makes known the decision within a week. In certain specified circumstances the manager may have the power to dismiss the person after the investigation or s/he can suspend the person in order to facilitate a further investigation. Stage 4 is the final appeal stage.

Stage 4 Appeal to board

The staff person may now write to the chair of the board. A sub-committee of the Board is convened to hear the case. The decision of the sub-committee is final.

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grievance matters.

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Session 6.5: Other Provisions: (15 min)

- Disciplinary procedures may have two formal written warning stages where there is a line management structure, before the person meets with the manager.
- Procedures should state rights to representation, that is the worker's right to take a union member or colleague to the meeting to support or speak for him or her.
- Time limits are set to ensure problems do not drag on.
- Procedures normally define gross misconduct and may state that the penalty for this is instant dismissal. However, good practice would allow for an investigation and appeal to the board.

Session 6.6: Gross misconduct: (10 min)

- Behaviour which damages the name and standing of the organisation.
- Criminal offences such as fraud, misuse of funds.

SESSION 7

A TYPICAL CONSTITUTION

Session 7: A typical constitution

Constitutions are important documents and may be required by governments as part of the documentation process for official registration. Chairs or board members should be familiar with the constitution of an organisation since it will set out many of the rules of governance, for example, the quorum for a board meeting or the conditions under which sub-committees may be formed. If, for instance, a government questions whether an NGO is permitted to undertake a particular kind of work, such as advocacy, the objectives section of the constitution should detail allowable activities, or if there should be trouble at an annual general meeting and a group of members wishes to replace the chair before his/her term is finished, the constitution should provide the relevant procedure. Given the importance of constitutions, it is sensible to have it checked by a lawyer before having it approved by the board and before making it publicly available.

Session 7.1: Some typical provisions of a constitution: (90 min)

Below is an annotated list of useful headings in a constitution with some examples of typical provisions.

Article 1 Name of organisation

Article 2 Mission statement

The mission statement should express in clear, non-legal language the aims of the organisation. It should set out:

- The purpose and vision of the organisation
- What the organisation does
- Who it works for
- How the organisation works – that is, methods and values underpinning the work

For example:

The AIDS Consortium aims to avert the threat of an HIV/AIDS epidemic in the Punjab by working in partnership with its member organisations to strengthen their delivery of services to vulnerable people. This is achieved by the provision of resources, advice, information and advocacy to develop jointly a sustainable improvement in capacity.

Article 3 Objectives

This is perhaps the most important section of a constitution since this spells out the specific objectives by which the organisation hopes to achieve its aims. It should be as comprehensive as possible to include future activities not yet planned, but being considered.

For example:

- To develop comprehensive services for populations under threat of HIV/AIDS infection, to educate the public to the AIDS threat
- To recommend preventative measures
- To advocate for policy change which could improve the situation of HIV/AIDS sufferers
- To help establish networks for HIV/AIDS sufferers
- To work with and liaise with government at all levels in the fight against HIV/AIDS.

Article 4 Membership

This will set out the rules on who can be a member of an organisation and detail the different sorts of members. For example:

- Ex officio (non-voting) members: two regional government representatives or politicians.
- Full members (for regional consortia): registered NGOs actively involved in the fight against AIDS, located in for example, Punjab Region.
- Others: associate members, organisations or individuals which/who have an interest in supporting the work of the consortium.

Article 5 Acceptance of membership and forfeiture of membership

Acceptance, for example:

- Potential members of the Consortium should fill in an application form produced by the consortium, the form to address the following: name and contact address, the role of the applicant organisation or individual in terms of HIV/AIDS, why it is applying to become a member, agreement with all aspects of the consortium constitution, willingness to abide by its rules
- The board has the authority to accept or reject acceptance (with reasons given) or ask for further information prior to a decision.

Forfeiture, for example:

- The board can recommend to the assembly the forfeiture of membership of any member if it is believed that the member is working contrary to the aims and objectives of the consortium.
- The membership will be notified that a vote will be held on the matter and it will vote on it, the matter to be decided by a two thirds majority of the voting members present at the meeting.
- Where the excluded member is the elected representative of an organisation, then that organisation shall have the right to elect an alternative representative, except where it is the organisation itself which is excluded.

Article 6 Voting rights

This sets out the rules under which a member can vote and for what purposes.

For example:

- Full member organisations shall be eligible to vote at the general meetings of the consortium and appoint one of their own members who is entitled to vote. Each full member organisation may appoint two other delegates, but without voting rights. All delegates are eligible to stand for election to any governance

post. Where an appointed delegate is elected to serve on the board of the consortium, the member organisation has the right to elect a new delegate.

- Voting for members of the board shall be by secret ballot. All other voting shall be by a show of voting cards, except where the members vote to hold a secret ballot.

Article 7 Election of officers

This section should specify who is able to stand for election for office. For example:

- Any full member or associate member is eligible to hold office.
- The tenure of office is two years, but officers shall be eligible for re-election for a further two terms maximum. The same person can be re-elected again after a period of 2 years has elapsed.

Article 8 The board

This section specifies the composition of the board, its officials and how they are to be elected or selected, the length of their term of office and the circumstances under which someone may be asked to resign membership of the board. The organisation will also need to consider whether it wishes to make provision for ex-officio (non-voting) members, for example, government officials or elected representatives. It may also include provision for co-option of members to assist the working of the board, for instance, co-option of a lawyer or accountant. The constitution should also have procedures for replacing members who resign between annual general meetings.

For instance:

- Board members will be elected by the general membership of the assembly. At an annual general meeting
- Board members and officials may serve two terms of office.
- Four board seats will be reserved: two to be filled by female representatives and two by the users/beneficiaries of the organisation.
- The board posts should include the chair, the vice chair, the treasurer and the secretary.
- The board should comprise a minimum number 9 members and a maximum of 15: 13 places should be filled through election and a maximum of two places may be co-opted members who will have full voting rights.
- Board members may be replaced in between annual general meetings by use of the power of co-option. Co-opted members may stand for election at the following annual general meeting.
- The quorum should consist of one third of the board members
- Meetings should be held quarterly at a place and time to be decided by the chair
- Extraordinary meetings of the board may be called by the chair or at the request of one third of the board members
- The board shall have the power to set up sub-committees and working groups. Such groups shall be given written terms of reference setting out their remit, duration and decision making powers.

- The board and sub-committees shall have the power to co-opt specialists to offer advice to the board. Such specialists shall not be granted voting rights.
- Board members who are considered to have brought the organisation into disrepute may be required to resign by a majority vote in a board meeting.
- The board shall delegate responsibilities to appointed committees or working groups.
- The board will employ staff who will be responsible for the day-to-day functions of the organisation, under the direction of a manager or general manager.

Article 9 Functions of elected officers

This section describes the functions of elected officials. For example:

- The chair shall preside over all general assembly meetings and board meetings, have the casting vote in the case of a tie, and be a joint signatory of cheques of over a specified amount. The chair is responsible for supervising the manager.
- The treasurer shall ensure that all funds are deposited in a bank approved by the board, that records of the organisation's receipts and disbursements are kept and maintained in good order, that an annual financial report is prepared for the annual general meeting, that payment procedures are in order and approved by the board. The treasurer shall be a co-signatory of the organisation's bank accounts.
- The secretary shall ensure that all administrative matters regarding the board are carried out including the recording, approving and distribution of minutes of all board meetings.

Article 10 Finances

This section describes how the organisation may raise funds and deals with other accounting matters. For example:

- The dates of the financial year.
- The organisation has the right to raise funds. All funds raised or donated to the organisation shall be used solely for the aims and objectives laid down in the constitution, or for any such project which is approved by the majority of the voting members.
- The organisation shall be entitled to invest monies and hold property.
- The board shall appoint bankers, subject to approval of the members at the AGM. All monies raised or donated to the organisation shall be paid into the bank accounts.
- Signatories to the organisation's bank accounts shall be the chair, the treasurer the executive manager and the finance officer. Two signatories are required to sign cheques or withdraw money on behalf of the organisation.
- The board shall appoint an auditor who shall audit the accounts for presentation to the annual general meeting.

Article 11 Annual General Meeting

This section sets out the frequency and purpose of the annual general meeting. For instance:

- The annual general meeting shall be held within 15 months of the previous annual general meeting, preferably one year after the last one.

The purpose of the annual general meeting is to:

- Present the annual reports of the chair, the manager and the treasurer
- Receive the auditor's annual report and approve their appointment for the next year
- Receive, amend and approve the organisation's plans and budget for the forthcoming year.
- Nominate and elect members to the board where elections are due or where there are vacancies.
- Consider and vote upon any amendments to the constitution.
- Decide on any resolution which has been submitted to the board for consideration at the AGM, one month prior to the AGM
- Consider any other business.
- One third of the full members of the organisation who are eligible to vote shall constitute a quorum.

Article 12 Amendments to the constitution

This section describes the procedure by which the constitution can be amended. It will frequently make provision for extraordinary meetings for this purpose. For example:

- The constitution may be amended by a two-thirds majority of members entitled to vote, who are present at an annual general meeting, or at a special or extraordinary meeting of the organisation.
- Proposed amendments must be submitted to the secretary of the board one month prior to the AGM or special meeting and circulated to all members of the organisation not less than 14 days prior to the AGM or special meeting.

Article 13 Extraordinary meetings

This section gives the procedure by which an extraordinary meeting can be convened. Extraordinary meetings of the organisation occur when major issues become too urgent or serious to wait for decisions at the next AGM.

For instance:

- Extraordinary meetings can be called by the chair, the board or by a written request of one third of the voting members of the organisation. A quorum shall be one third of the full members of the organisation who are entitled to vote.

Article 14 Dissolution of the organisation

This section covers the procedure by which an organisation can be disbanded. For example:

- An extraordinary general meeting of the organisation needs to be held to consider a recommendation to dissolve the organisation, seventy five per cent of the members must agree to the dissolution.
- In the case of dissolution, the board needs to appoint an ad hoc committee including members and experts to settle all debts and disburse remaining assets to other NGO organisations.

SESSION 8

WHAT IS LEADERSHIP

Session 8.1 : What is Leadership (45 min)

Good leaders are **made** not born. If you have the desire and willpower, you can become an effective leader. Good leaders develop through a never ending process of self-study, education, training, and experience. This guide will help you through that process.

To inspire your workers into higher levels of teamwork, there are certain things you must **be**, **know**, and, **do**. These do not come naturally, but are acquired through continual work and study. Good leaders are continually working and studying to improve their leadership skills; they are NOT resting on their laurels.

Leadership is a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent. Leaders carry out this process by applying their leadership attributes, such as beliefs, values, ethics, character, knowledge, and skills. Although your position as a manager, supervisor, lead, etc. gives you the authority to accomplish certain tasks and objectives in the organization, this *power* does not make you a leader...it simply makes you the *boss*. Leadership differs in that it makes the followers *want* to achieve high goals, rather than simply *bossing people around*.

Bass' (1989 & 1990) theory of leadership states that there are three basic ways to explain how people become leaders. The first two explain the leadership development for a small number of people. These theories are:

- Some personality traits may lead people naturally into leadership roles. This is the **Trait Theory**.
- A crisis or important event may cause a person to rise to the occasion, which brings out extraordinary leadership qualities in an ordinary person. This is the **Great Events Theory**.
- People can choose to become leaders. People can learn leadership skills. This is the **Transformational Leadership Theory**. It is the most widely accepted theory today and the premise on which this guide is based.

When a person is deciding if she respects you as a leader, she does not think about your attributes, rather, she observes what you *do* so that she can know who you really *are*. She uses this observation to tell if you are a honorable and trusted leader or a self serving person who misuses authority to look good and get promoted. Self-serving leaders are not as effective because their employees only obey them, not follow them. They succeed in many areas because they present a good image to their seniors at the expense of their workers.

The basis of good leadership is honorable character and selfless service to your organization. In your employees' eyes, your leadership is everything you do that effects the organization's objectives and their well being. Respected leaders concentrate on what they *are [be]* (such as beliefs and character), what they *know* (such as job, tasks, and human nature), and what they *do* (such as implementing, [motivating](#), and provide [direction](#)).

What makes a person want to follow a leader? People want to be guided by those they respect and who have a clear sense of direction. To gain respect, they must be ethical. A sense of direction is achieved by conveying a strong vision of the future.

The Two Most Important Keys to Effective Leadership

A Hay's study examined over 75 key components of employee satisfaction. They found that:

1. Trust and confidence in top leadership was the single most reliable predictor of employee satisfaction in an organization.
2. Effective communication by leadership in three critical areas was the key to winning organizational trust and confidence:
 - a. Helping employees understand the company's overall business strategy.
 - b. Helping employees understand how they contribute to achieving key business objectives.
 - c. Sharing information with employees on both how the company is doing and how an employee's own division is doing - relative to strategic business objectives.

So in a nutshell -- you must be **trustworthy** and you have to be able to [communicate a vision](#) of where the organization needs to go.

SECTION 9

PRINCIPLES OF LEADERSHIP

Session 9.1: Principles of Leadership (45 min)

To help you *be*, *know*, and *do*;

Know yourself and seek self-improvement - In order to know yourself, you have to understand your *be*, *know*, and *do*, attributes. Seeking self-improvement means continually strengthening your attributes. This can be accomplished through self-study, formal classes, reflection, and interacting with others.

Be technically proficient - As a leader, you must know your job and have a solid familiarity with your employees' tasks.

Seek responsibility and take responsibility for your actions - Search for ways to guide your organization to new heights. And when things go wrong, they always do sooner or later -- do not blame others. Analyze the situation, take corrective action, and move on to the next challenge.

Make sound and timely decisions - Use good problem solving, decision making, and planning tools.

Set the example - Be a good role model for your employees. They must not only hear what they are expected to do, but also see. *We must become the change we want to see* - Mahatma Gandhi

Know your people and look out for their well-being - Know human nature and the importance of sincerely caring for your workers.

Keep your workers informed - Know how to communicate with not only them, but also seniors and other key people.

Develop a sense of responsibility in your workers - Help to develop good character traits that will help them carry out their professional responsibilities.

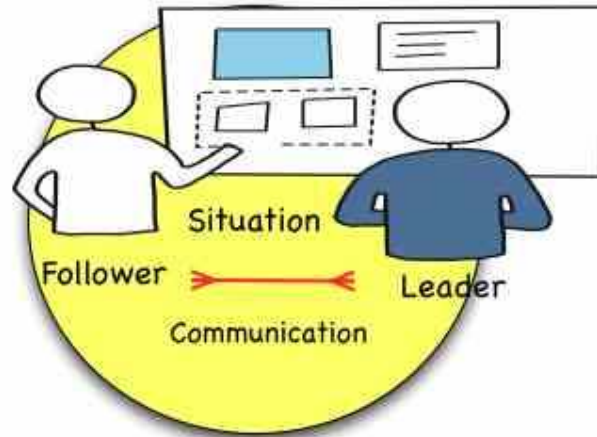
Ensure that tasks are understood, supervised, and accomplished - Communication is the key to this responsibility.

Train as a team - Although many so called leaders call their organization, department, section, etc. a team; they are not really teams...they are just a group of people doing their jobs.

Use the full capabilities of your organization - By developing a team spirit, you will be able to employ your organization, department, section, etc. to its fullest capabilities.

Session 9.2 : Factors of leadership (30 min)

There are four major factors in leadership:



Follower

Different people require different styles of leadership. For example, a new hire requires more supervision than an experienced employee. A person who lacks motivation requires a different approach than one with a high degree of motivation. You must know your people! The fundamental starting point is having a good understanding of human nature, such as needs, emotions, and motivation. You must come to know your employees' *be*, *know*, and *do* attributes.

Leader

You must have a honest understanding of who you are, what you know, and what you can do. Also, note that it is the followers, not the leader who determines if a leader is successful. If they do not trust or lack confidence in their leader, then they will be uninspired. To be successful you have to convince your followers, not yourself or your superiors, that you are worthy of being followed.

Communication

You lead through two-way communication. Much of it is nonverbal. For instance, when you "set the example," that communicates to your people that you would not ask them to perform anything that you would not be willing to do. What and how you communicate either builds or harms the relationship between you and your employees.

Situation

All are different. What you do in one situation will not always work in another. You must use your judgment to decide the best course of action and the leadership style needed for each situation. For example, you may need to confront an employee for inappropriate behavior, but if the confrontation is too late or too early, too harsh or too weak, then the results may prove ineffective.

Various forces will affect these factors. Examples of forces are your relationship with your seniors, the skill of your people, the informal leaders within your organization, and how your company is organized.

Attributes

If you are a leader who can be trusted, then those around you will grow to respect you. To be such a leader, there is a **Leadership Framework** to guide you:

BE KNOW DO (15 min)

BE a professional. Examples: Be loyal to the organization, perform selfless service, and take personal responsibility.

BE a professional who possess good character traits. Examples: Honesty, competence, candor, commitment, integrity, courage, straightforwardness, imagination.

KNOW the four factors of leadership - follower, leader, communication, situation.

KNOW yourself. Examples: strengths and weakness of your character, knowledge, and skills.

KNOW human nature. Examples: Human needs, emotions, and how people respond to stress.

KNOW your job. Examples: be proficient and be able to train others in their tasks.

KNOW your organization. Examples: where to go for help, its climate and culture, who the unofficial leaders are.

DO provide direction. Examples: goal setting, problem solving, decision making, planning.

DO implement. Examples: communicating, coordinating, supervising, evaluating.

DO motivate. Examples: develop moral and esprit in the organization, train, coach, counsel.

Session 9.3: Goals, Values, and Concepts (30 min)

Leaders exert influence on the [environment](#) via three types of actions:

1. The goals and performance standards they establish.
2. The values they establish for the organization.
3. The business and people concepts they establish.

Successful organizations have leaders who set high standards and [goals](#) across the entire spectrum, such as strategies, market leadership, plans, meetings and presentations, productivity, quality, and reliability.

Values reflect the concern the organization has for its employees, customers, investors, vendors, and surrounding community. These values define the manner in how business will be conducted.

[Concepts](#) define what products or services the organization will offer and the methods and processes for conducting business.

These goals, values, and concepts make up the organization's "personality" or how the organization is observed by both outsiders and insiders. This personality defines the roles, relationships, rewards, and rites that take place.

Roles and Relationships

Roles are the positions that are defined by a set of expectations about behavior of any job incumbent. Each role has a set of tasks and responsibilities that may or may not be spelled out. Roles have a powerful effect on behavior for several reasons, to include money being paid for the performance of the role, there is prestige attached to a role, and a sense of accomplishment or challenge.

Relationships are determined by a role's tasks. While some tasks are performed alone, most are carried out in relationship with others. The tasks will determine who the role-holder is required to interact with, how often, and towards what end. Also, normally the greater the interaction, the greater the liking. This in turn leads to more frequent interaction. In human behavior, it's hard to like someone whom we have no contact with, and we tend to seek out those we like. People tend to do what they are rewarded for, and friendship is a powerful reward. Many tasks and behaviors that are associated with a role are brought about by these relationships. That is, new tasks and behaviors are expected of

the present role holder because a strong relationship was developed in the past, either by that role holder or a prior role holder.

Session 9.4: Culture and Climate (60 min)

There are two distinct forces that dictate how to act within an organization: **culture and climate**.

Each organization has its own distinctive culture. It is a combination of the founders, past leadership, current leadership, crises, events, history, and size. This results in *rites*: the routines, rituals, and the "way we do things." These rites impact individual behavior on what it takes to be in good standing (the norm) and directs the appropriate behavior for each circumstance.

The climate is the feel of the organization, the individual and shared perceptions and attitudes of the organization's members. While the culture is the deeply rooted nature of the organization that is a result of long-held formal and informal systems, rules, traditions, and customs; climate is a short-term phenomenon created by the current leadership. Climate represents the beliefs about the "feel of the organization" by its members. This individual perception of the "feel of the organization" comes from what the people believe about the activities that occur in the organization. These activities influence both individual and team motivation and satisfaction, such as:

- *How well does the leader clarify the priorities and goals of the organization? What is expected of us?*
- *What is the system of recognition, rewards, and punishments in the organization?*
- *How competent are the leaders?*
- *Are leaders free to make decision?*
- *What will happen if I make a mistake?*

Organizational climate is directly related to the leadership and management style of the leader, based on the values, attributes, skills, and actions, as well as the priorities of the leader. Compare this to "ethical climate" -- the "feel of the organization" about the activities that have ethical content or those aspects of the work environment that constitute ethical behavior. The ethical climate is the feel about whether we do things right; or the feel of whether we behave the way we ought to behave. The behavior (character) of the leader is the most important factor that impacts the climate.

On the other hand, culture is a long-term, complex phenomenon. Culture represents the shared expectations and self-image of the organization. The mature values that create "tradition" or the "way we do things here." Things are done differently in every organization. The collective vision and common folklore that define the institution are a reflection of culture. Individual leaders, cannot easily create or change culture because culture is a part of the organization. Culture influences the characteristics of the climate by its effect on the actions and thought processes of the leader. But, everything you do as a leader will effect the climate of the organization.

ACTIVITY (30 min)

Objective: To reflect on the culture and climate of an organization and what can easily be changed and what cannot easily be changed.

Instruction: Have the learners read and then complete the reflection activity below. Then divide the learners into small groups. Have them discuss what can easily be changed within their organization, and what would take a full commitment of the organization to change.

What things can you easily change within an organization?

Culture

Changing the culture of an organization takes the full commitment of every leader within the organization. You cannot just tell people, "From now on its going to be done this way."

For example, when the Armed Forces started to integrate women into what was traditional male jobs, a great resistance was put forth by the men who believed that the type of soldiering skills they were performing, could only be performed by men. Many of them believed in equal rights, but the culture they worked and lived in made them believe that their work was strictly a man's job...they could not picture a women doing a job that was traditionally performed by males.

Climate

On the other hand, climate is a feeling by the employees on how they perceive that something should be done at the minute. These feelings can normally be changed within perhaps a few hours, days or weeks. The workers get these feelings from their both leaders and peers, formally and informally. Feelings are transmitted to them by how their leaders act and model, and what they praise and ignore.

For example, you might believe your department needs to provide better customer service. You then take the necessary actions to help your department start performing customer service better. In the majority of organizations, your actions will not be met with great resistance throughout the ranks. Why? Because "not providing good customer service" is not part of the heritage of most organizations. Thus, if someone wants to change it, it does not really affect others within the organization.

SECTION 10

LEADERSHIP MODELS

Session 10.1: Leadership Models (120 min)

Leadership models help us to understand what makes leaders act the way they do. The ideal is not to lock yourself in to a type of behavior discussed in the model, but to realize that every situation calls for a different approach or behavior to be taken.

Two models will be discussed,

- 1. The Four Framework Approach and**
- 2. The Managerial Grid.**

1. Four Framework Approach

In the *Four Framework Approach*, Bolman and Deal ([1991](#)) suggest that leaders display leadership behaviors in one of four types of frameworks: Structural, Human Resource, Political, or Symbolic. The style can either be effective or ineffective, depending upon the chosen behavior in certain situations.

Structural Framework

In an effective leadership situation, the leader is a social architect whose leadership style is analysis and design. While in an ineffective leadership situation, the leader is a petty tyrant whose leadership style is details. Structural Leaders focus on structure, strategy, environment, implementation, experimentation, and adaptation.

Human Resource Framework

In an effective leadership situation, the leader is a catalyst and servant whose leadership style is support, advocate, and empowerment. while in an ineffective leadership situation, the leader is a pushover, whose leadership style is abdication and fraud. Human Resource Leaders believe in people and communicate that belief; they are visible and accessible; they empower, increase participation, support, share information, and move decision making down into the organization.

Political Framework

In an effective leadership situation, the leader is an advocate, whose leadership style is coalition and building. While in an ineffective leadership situation, the leader is a hustler, whose leadership style is manipulation. Political leaders clarify what they want and what they can get; they assess the distribution of power and interests; they build linkages to other stakeholders, use persuasion first, then use negotiation and coercion only if necessary.

Symbolic Framework

In an effective leadership situation, the leader is a prophet, whose leadership style is inspiration. While in an ineffective leadership situation, the leader is a fanatic or fool, whose leadership style is smoke and mirrors. Symbolic leaders view organizations as a stage or theater to play certain roles and give impressions; these leaders use symbols to capture attention; they try to frame experience by providing plausible interpretations of experiences; they discover and communicate a vision.

This model suggests that leaders can be put into one of these four categories and there are times when one approach is appropriate and times when it would not be. Any one of these approaches alone would be inadequate, thus we should strive to be conscious of all four approaches, and not just rely on one or two. For example, during a major organization change, a structural leadership style may be more effective than a visionary leadership style; while during a period when strong growth is needed, the visionary approach may be better. We also need to understand ourselves as each of us tends to have a preferred approach. We need to be conscious of these at all times and be aware of the limitations of our favoring just one approach.

ACTIVITY

Bolman and Deal's Four Framework Approach

Objective: To show that there is more than one behavioural mode for leaders.

Time: 45 minutes

Instructions: Divide the class into small groups. Have them discuss the situations listed below and decide what behavioural framework would be the best to operate out of and why. Note: There is no correct answer. The activity is to show that there are always at least four approaches to take for each situation. A leader has to decide which approach or combination of approaches would work best for the present situation.

After the groups have discussed their choices, bring the groups back together and compare and discuss their answers

Structural, Human Resource, Political, or Symbolic?

Bolman and Deal's four frameworks:

Structural Framework - Social architect whose leadership style is analysis and design - focus on structure, strategy, environment, implementation, experimentation, and adaptation.

Human Resource Framework - Catalyst and servant whose leadership style is support, advocate, and empowerment - visible and accessible; they empower, increase participation, support, share information, and move decision making down into the organization.

Political Framework - Advocate, whose leadership style is coalition and building - clarify what they want and what they can get; they assess the distribution of power and interests; they build linkages to other stakeholders; use persuasion first, then use negotiation and coercion only if necessary.

Symbolic Framework - Prophet, whose leadership style is inspiration, view organizations as a stage or theatre to play certain roles and give impressions; these leaders use symbols to capture attention; they try to frame experience by providing plausible interpretations of experiences; they discover and communicate a vision.

For each situation listed below, choose a framework(s) that would work best.

1. You and a friend have owned and operated a small business for the last two years. You have just taken on two large and important accounts. To meet the needs of these accounts, plus the ones you already have, you hire six new employees. Capital is tight and an important deadline is approaching.

2. You lead the production department in a manufacturing plant. It is a large company with divisions spread around the country. They have been in business for the past 15 years. Lately, the company has been starting to lag behind the competition. But, you are about to start producing an exciting new product which could put your company back in the lead. The product line requires new technology to produce and it is an extremely complicated procedure.

3. You have just been promoted to a supervisor after working as a clerk for the last three years. Many of your co-workers are happy for you, but you have heard that a couple of them are not pleased because they also applied for the job and they thought they were better suited for the position.

4. Like many retailers, your busiest time is during the Christmas holiday season. You manage the sales department and have brought on almost as many temporary workers as compared to your regular staff. They all need a lot of training to meet your company standards.

5. You lead a small group within the accounting department of a large corporation. The Chief Financial Officer and several of his key advisors have just been fired after an outside audit

6. You are a supervisor and your boss is a complete authoritarian (autocratic) manager. Some of your peers have a nick-name for this person, "The Little Dictator." You believe that the employees who work for you deserve better, so you have always been a buffer between the manager and them.

7. You lead a department of highly educated and skilled computer programmers. There is a shortage of these workers and they always seem to be moving on to other companies for either better pay, better benefits, a project that interest them, or to learn a new programming skill.

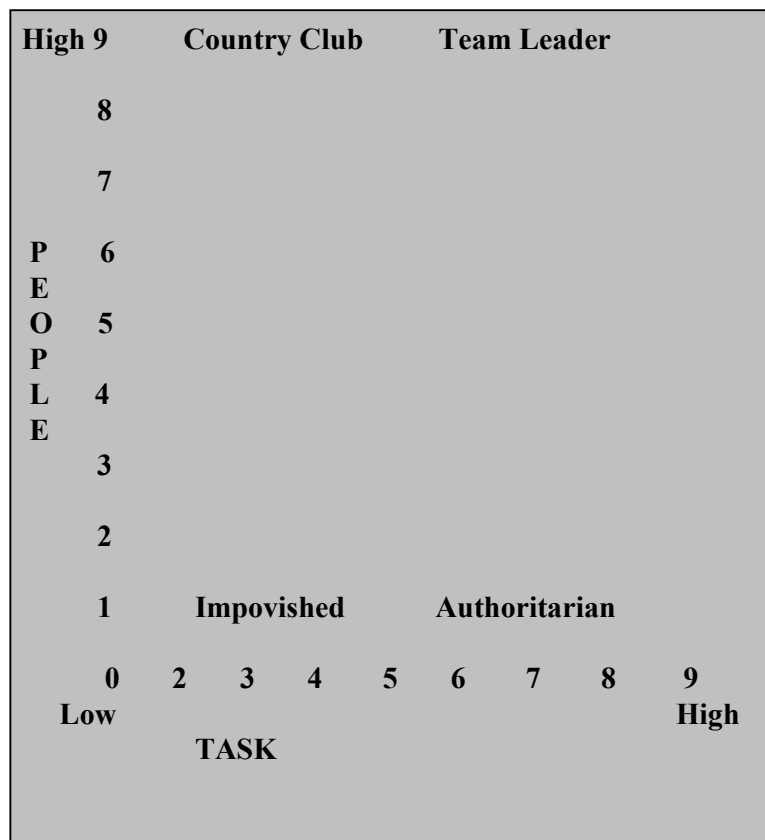
8. You lead a department of unskilled workers who work on an assembly line. They make just above minimum wage and are not highly motivated, yet your manager expects you to maintain a high production quota

2. Managerial Grid

The Blake and Mouton Managerial Grid (1985) uses two axis:

1. "Concern for people" is plotted using the vertical axis
2. "Concern for task" is along the horizontal axis.

They both have a range of 0 to 9. The notion that just two dimensions can describe a managerial behavior has the attraction of simplicity. These two dimensions can be drawn as a graph or grid:



Most people fall somewhere near the middle of the two axis. But, by going to the extremes, that is, people who score on the far end of the scales, we come up with four types of leaders:

1. **Authoritarian** (9 on task, 1 on people)
2. **Team Leader** (9 on task, 9 on people)
3. **Country Club** (1 on task, 9 on people)
4. **Impoverished** (1 on task, 1 on people).

Authoritarian Leader

(high task, low relationship)

People who get this rating are very much task oriented and are hard on their workers (autocratic). There is little or no allowance for cooperation or collaboration. Heavily task oriented people display these characteristics: they are very strong on schedules; they expect people to do what they are told without question or debate; when something goes wrong they tend to focus on who is to blame rather than concentrate on exactly what is wrong and how to prevent it; they are intolerant of what they see as dissent (it may just be someone's creativity), so it is difficult for their subordinates to contribute or develop.

Team Leader

(high task, high relationship)

This type of person leads by positive example and endeavors to foster a team environment in which all team members can reach their highest potential, both as team members and as people. They encourage the team to reach team goals as effectively as possible, while also working tirelessly to strengthen the bonds among the various members. They normally form and lead some of the most productive teams.

Country Club Leader

(low task, high relationship)

This person uses predominantly reward power to maintain discipline and to encourage the team to accomplish its goals. Conversely, they are almost incapable of employing the more punitive coercive and legitimate powers. This inability results from fear that using such powers could jeopardize relationships with the other team members.

Impoverished Leader

(low task, low relationship)

A leader who uses a "delegate and disappear" management style. Since they are not committed to either task accomplishment or maintenance; they essentially allow their team to do whatever it wishes and prefer to detach themselves from the team process by allowing the team to suffer from a series of power struggles.

The most desirable place for a leader to be along the two axis at most times would be a 9 on task and a 9 on people -- the Team Leader. However, do not entirely dismiss the other three. Certain situations might call for one of the other three to be used at times. For example, by playing the Impoverished Leader, you allow your team to gain self-reliance. Be an Authoritarian Leader to instill a sense of discipline in an unmotivated worker. By carefully studying the situation and the forces affecting it, you will know at what points along the axis you need to be in order to achieve the desired result.

ACTIVITY

Objective: To determine the degree that a person likes working with tasks and people.

Time: 45 Minutes

Instructions:

1. Have the learners complete the 18 items in the [Questionnaire](#) section. (Annex)
2. Next, have them transfer their answers to the two respective columns provided in the [scoring](#) section. Total the score in each column and multiply each total by 0.2. For example, in the first column (People), if the learner answered 5, 3, 4, 4, 3, 2, 5, 4, 3 then his or her final score is $= 33 \times 0.2 = 6.6$.
3. The total score for the first column (people) is plotted on vertical axis in the [matrix](#) section (annex), while the total score for the second column (Task) is plotted on the horizontal axis. For a sample, see [Example](#). Finally, have the learners intersect the lines to see in what leadership dimension they normally operate out of:
 - a. Authoritarian
 - b. Impoverished
 - c. Team Leader
 - d. Country Club