

An illustration featuring five stylized human figures in the center. From left to right: a worker in a blue jumpsuit and yellow hard hat; a worker in a blue jumpsuit and yellow hard hat; a man in a blue suit and yellow hard hat; a worker in a blue jumpsuit and yellow hard hat; and a worker in a blue jumpsuit and yellow hard hat. To the right of the figures is a blue crane with a vertical tower and a horizontal jib. A hook is attached to the end of the jib, and it is suspended by a thin line that connects to the top of the letters 'N' and 'O' in the word 'NGO'. Below the figures and the crane, the words 'NGO' and 'GOVERNANCE' are written in large, bold, yellow, uppercase, sans-serif font. The 'NGO' is positioned above 'GOVERNANCE'.

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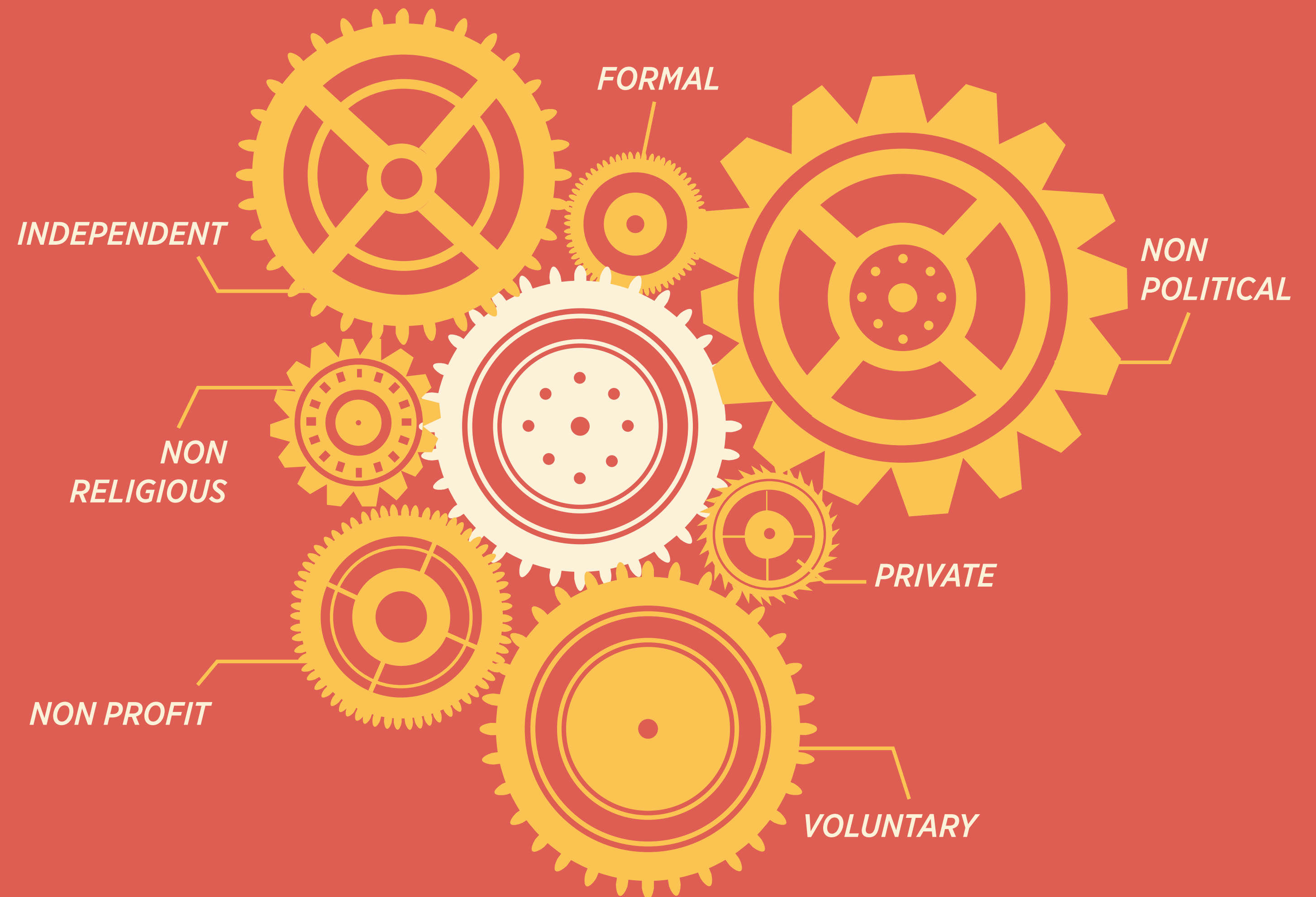
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# NGO GOVERNANCE

Non-Profit Organizations have different aims and methods of functioning, but they tend to share some characteristics:

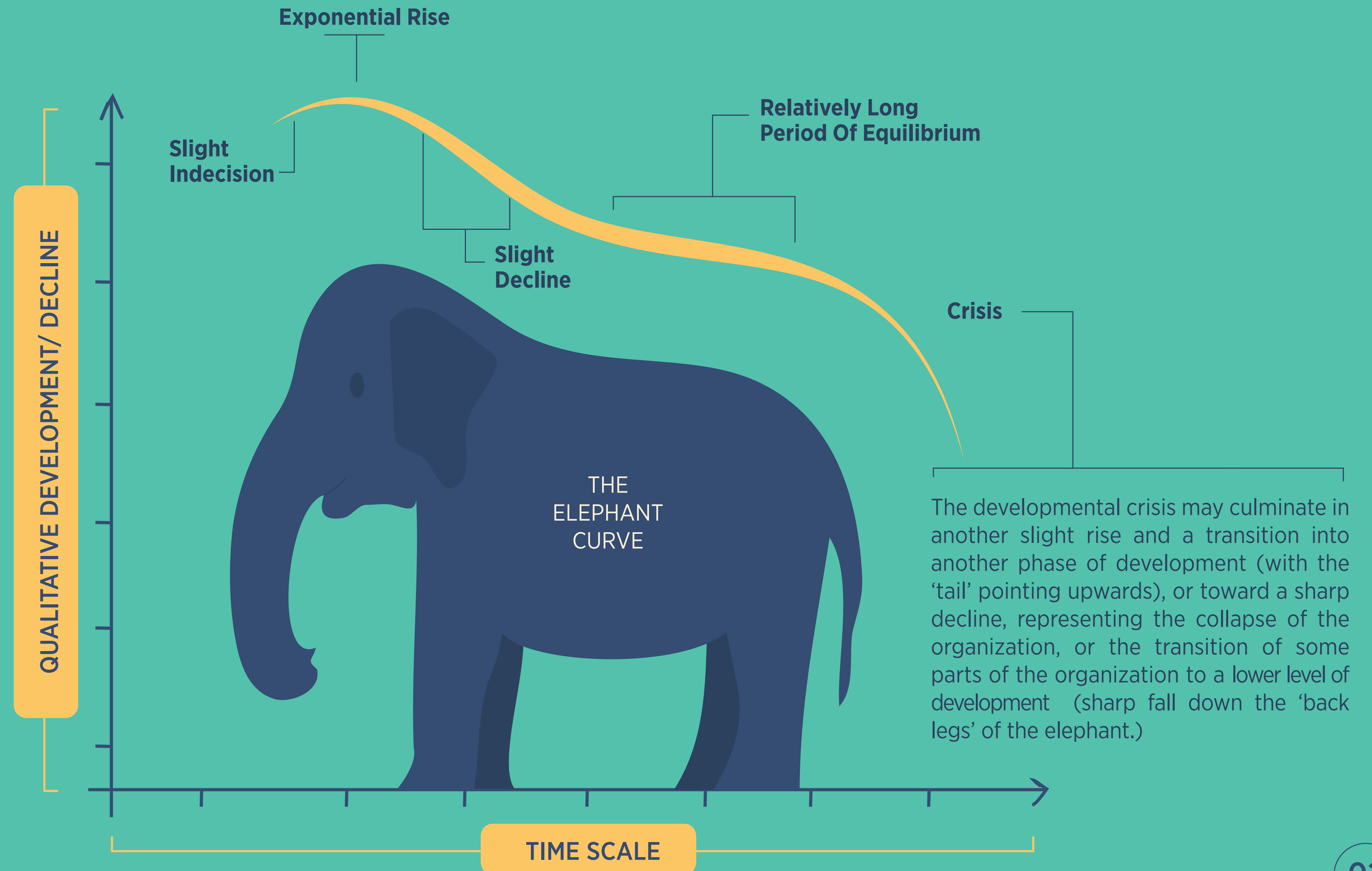
- 1. Formal structure:** They are formalized and institutionalized to a certain extent, and are therefore capable of entering into contractual relations.
- 2. Private:** They are not a part of the public apparatus, and their boards of directors are not dominated by public administration officials.
- 3. Non-Profit:** They respect the non-profit system of distribution of funds.
- 4. Independent:** They are controlled neither by the government, nor by institutions other than themselves.
- 5. Voluntary:** A certain amount of voluntary participation is present for both workers and board members.
- 6. Non-Religious:** Their main objective is not to promote religion or engage in religious education.
- 7. Non-Political:** Their main objective does not involve uniting political candidates, or attempting to achieve political power.



# THE 'LIFECYCLE' OF NON-PROFIT ORGANIZATIONS

Experts agree with the assertion that changes in the transition of an organization from one stage to another may be expressed by a characteristic curve. One of these may be called the 'Elephant Curve'. Here's how the elephant comparison works.

Note: This curve, of course, is merely for orientation – it is a simple way of expressing what usually occurs. It is not absolute; it does not apply to every change in an organization.



The developmental curve can be better understood through these four general principles:



### 1. Crises are natural

The development of an NGO organization oscillates between various high and low periods.

### 2. A developmental crossroads always follows organizational progress

It is worthwhile preparing for a developmental crisis well in advance of actually meeting with a developmental crossroads, which generally emerges after the rapid advance of an organization.

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

A temporary decline seen after progress, followed by a period of equilibrium, does not spell failure for an organization.

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

A decline seen after negotiating a developmental crossroads need not be a catastrophe.

# TYPES OF NGO ORGANIZATIONS

**a. Service Providers:** These are organizations with activities like provision of health, family planning or education services.

**b. Advocacy NGOs:** They promote their cause by raising awareness and by doing various activities like lobbying, press work and activist events.

**c. Volunteer Centers:** These centers strengthen communities by making it easier for people and good causes to work together.

**d. Citizens Initiatives:** Characterized by self-help projects where local people are involved particularly in the implementation of a project by contributing cash, tools, land, materials, labor etc.

**e. Resource Centers:** They connect nonprofits with the resources to improve management, operations, fund development, marketing & public relations, board development and more.

**f. Foundations:** They either donate funds and support to other organizations, or provide the source of funding for their own charitable purposes.

**g. Community Foundations:** These foundations can include sports clubs, women's organizations, neighborhood organizations and religious or educational organizations.

**h. Umbrella Organizations:** An association of often related, industry-specific organizations, who work together formally to coordinate activities or pool resources.

**i. Religious/Charitable Organizations:** Includes NGOs with activities directed toward meeting needs of the poor, distribution of food, clothing or medicine; provision of housing, transport, schools.

**j. Watchdog Organizations:** Groups that monitor the activities of governments, industry, or other organizations and alert the public when they detect unlawful actions.

**k. Think Tank Organizations:** These organizations sponsor research on some specific problems, encourage discovery of solutions, and facilitate interaction among scientists and intellectuals in pursuit of these goals.



# STAGES OF DEVELOPMENT IN NON-PROFIT ORGANIZATIONS



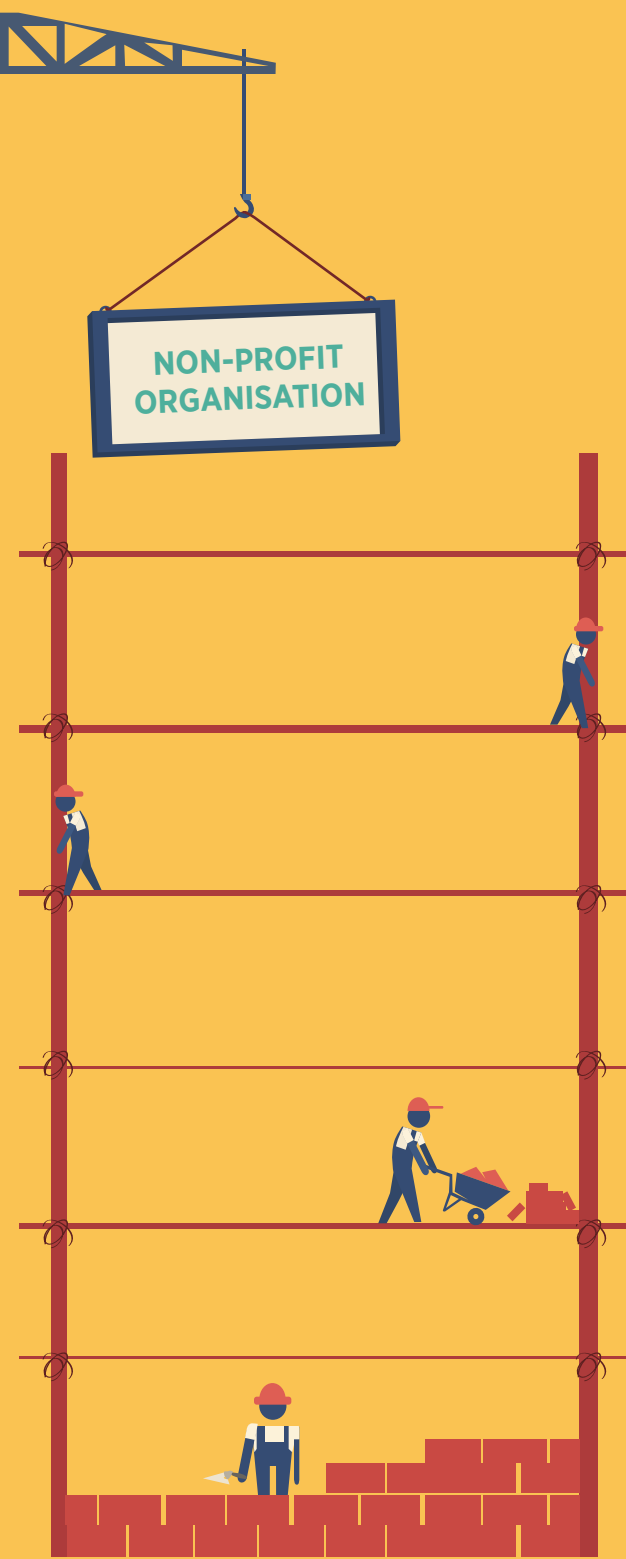
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THE NON-STRUCTURED GROUP AROUND A CHARISMATIC LEADER



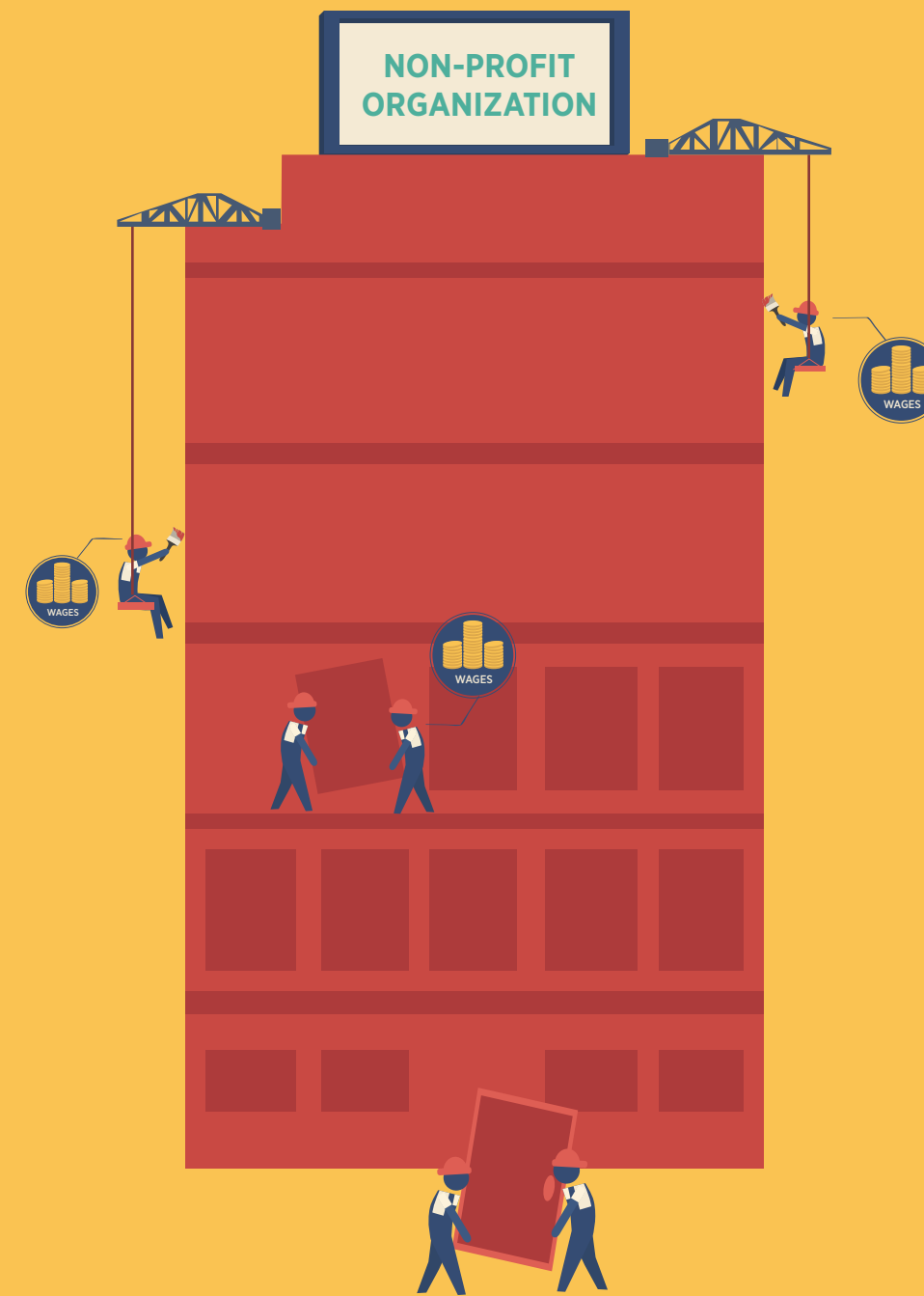
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THE STRUCTURED GROUP WITH A DEFINITE MISSION



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# 01 THE NON-STRUCTURED GROUP AROUND A CHARISMATIC LEADER

A key person, or a group of friends, with a vision and mission, is at the heart of this kind of organization.

Decision-making is sometimes collective, sometimes autocratic, and almost always chaotic, with no defined responsibilities.



# 02 THE STRUCTURED GROUP WITH A DEFINITE MISSION

After a certain period, the group realizes that members need to be ascribed specific functions.

They narrow down their priorities in discussions, and define their mission, usually in written form.

Organizational structures often alternate between two extremes: an organisation functioning as a hierarchical, authoritarian, bureaucratic behemoth, and an organization with no structure, hierarchy, orders, or paperwork, where equality is a fundamental attribute. The hierarchical model can also intersect with the network model of organization.





# 03 THE REGISTERED ORGANIZATION

Registered organizations enjoy a higher level of trust both within and outside the group. Before registering, it is important to ask questions like:

Why is the registration of the organization desirable?

Who is the founder?

For whom will the organization be registered?  
Do you want to provide services?

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

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



# 04 THE PROFESSIONAL ORGANIZATION

Sooner or later, an organization will feel the need to enter into a professional agreement with a few members.

NGO members pay attention to their education – they attend courses, schools, and seminars, and go on study visits to ensure that their activities become even more effective.

Despite the challenges it poses, this change has undoubted benefits like an overall improvement in the quality of work and the streamlining of processes.

If an organization begins to look too much like a large factory or bank, then it probably cannot avoid the feeling of estrangement from the organization's original values and the mutual formalization of employment relations that will result.



# 05 THE ORGANIZATION WITH A BALANCED DIVISION OF POWER

In a professional organization, decision-making methods are more transparent. Division of power helps at the organizational level. From time to time, non-profit organizations commission an external audit, which increases their credibility. The public plays the role of monitor on the data published.

Power is no longer concentrated in the hands of a single leader, but is shared (often between the C.E.O, Board of Directors, etc). Principles of the division of power into legislative/conceptual power, executive power, and judicial/monitoring power should also be applied on a microcosmic, organizational level.



Having a board is not sufficient, you also need to ensure that it is working properly. Here are some examples of “problematic boards” that might cause more problems than they address.

**The Phantom Board:** Such a board meets once or twice a year, and each meeting is attended by different people.

**The Research Board:** Composed of analysts, this type of board generally analyses problems without producing any specific solutions; instead, it seeks the services of external experts.

**The Starboard:** The names of its eminent members may look good on a letterhead, but someone has neglected to inform them that there is also an element of work involved.

**The Director’s Fan-Club:** Board members are fascinated by the charismatic executive director who founded the organisation, live solely for it, and are constantly expanding its already far-reaching mission.

**The Board with Empty Pockets:** These boards are established because their members are able to obtain money for the organization, their task having been defined as such.

**The Boardette:** This is a board that is too small, or that lacks diversity with regard to the number of activities that it must cope with.

**The Disordered Board:** Members are often involved in conflicts of interests, dubious activities, and opportunist practices.

**The Bored Board:** No essential decisions are expected from board members.

**The Two-for-the-Price-of-One Board:** Most members are also the leaders of other organizations that carry out contracted services for the organization in question.

**The Rowdy Board:** All boards have at least one vocal radical. In rowdy boards, such people are in the majority.

**The Billboard:** External appearances are all-important.

**The Centrifugal Board:** The division of responsibilities and the attraction of new competences are the fundamental characteristics of such a board.

# 06 THE ORGANIZATION WITH A HORIZONTAL OR VERTICAL STRUCTURE

As an organization matures, it seeks long-term and short-term partners, coalitions, and strategic alliances. Whether motivated by financial jeopardy or an awareness of the power of unity, many organizations will reach a stage where they decide to merge with other organizations. The issues and questions that arise during such a merger, can be tackled with a few possible solutions:



## The egalitarian model

All organizations in the network receive the same share, regardless of their input and size.



## The model of proportional equality

All the entities involved contribute and receive the same amount in proportion to their size.



## The model of structural equilibrium

Some organizations receive more than they contribute and others less, based upon an agreement concerning the appropriate long-term policy.



## The combined model

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

At this point, the network begins to resemble that of a commercial entity. But when NGOs become too bureaucratized and stray from their original aim, then volunteers infuse freshness into them – and the entire process begins once more.



All around us, we can see organizations in motion, at various stages of development. To be aware of these stages, and their various benefits and challenges, empowers us to act in a timely and effective manner in the interest of the organization.



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