



4. The management of processes

4.1 Introduction

In previous sections some emphasis was placed on the core values of a youth organisation. Accordingly decisions about the management of an organisation including the structure itself should be carefully considered. It is essential to ensure that all the issues which may be concerned with values are retained and incorporated into the processes employed in the running of the organisation. As an example imagine the situation where young people are being trained in management: would arguments for the purchase of computers or mountain bikes always take precedence over improvement in youth counselling and the employment of extra staff? In some research from the corporate sector, the results shows a strong tendency, in negotiations over expenditure, towards the purchase of equipment over extra spending on staff or infrastructure. Would the decision makers of your youth organisation have the same priorities? What effect do the values of your organisation have on such decisions?

Peter Drucker, who has been writing on the subject of management for fifty years, believes that one constant error over the last decades has been the assumption, explicit or implicit, that all management is business management. Those involved as professionals or volunteers in youth organisations should be aware that that sometimes it is the corporate sector that turns its attention to the voluntary or not for profit sector as a source of development and information for management training.

4.2 Managing the Organisation

Management and managing became the focus of attention at the end of the nineteenth century as a response to the ever increasing size of organisations. The issues which were then debated among scholars and practitioners alike still hold today. Max Weber, a German sociologist, in his work on "The Theory of Social and Economic Organisation" was more concerned about power and authority but his comment on

bureaucracy has been most examined by management writers. The advantages and disadvantages of Weber's ideas are discussed below.

According to Weber, tasks within organisations are allocated as official duties among the various positions. This ensures that there is a clear division of labour and a high level of specialisation. Translating this into modern language in a youth organisation would mean specialising in specific activities. As a result Weber would have claimed that a uniformity of decisions and actions is achieved through formally established rules and regulations. The implied advantage is that impersonal or objective orientation ensures that staff and volunteers dealt with everyone in a similar and presumably fair manner. Youth organisations would perhaps reject the language, tenor and even all of the principles of Weber because his values are the antithesis of youth culture. However, the youth organisation manager may still identify with elements of this kind of thinking within her/his operation.

Employment by the organisation according to Weber, was based on technical qualifications and constituted a lifelong career for the officials. Clearly this is fundamentally different from organisations staffed by volunteers in that contract periods are short by choice or necessity. It is also far less true for the commercial sector in the late 1990's and early 2000's. than when Weber wrote.

In summary the implied advantages of Weber's thinking are:

- Specialisation
- Hierarchy of authority
- System of rules
- Impersonal or objective culture.

The opposing view of Weber's thinking would be that there is an over emphasis on rules and procedures, implying that record keeping and paperwork may become more important than the objectives. In a youth organisation the risk of systems taking precedence over people has already been emphasised. Such an approach will also risk the possibility of paid staff or volunteers developing a dependence upon status and symbols. Procedures may be concealed from those not directly involved in order to increase status or power. In addition, initiative



may be stifled by systems. Inflexibility runs counter to the changing circumstances of young people in particular, along with many other groups and organisations.

The word “officials” used in the above may be translated as managers, employees or volunteers. Given that youth organisations need to maintain their core values within their structure, decisions must be made which avoid the criticisms shown above and yet ensure an effective organisation. We can all take comfort from the generally accepted view that there is no one best method of managing and therefore no one best management structure.

4.2.1 Management structure

Youth organisations like any organisation manage through processes around a structure. It should be emphasised the word structure should not be equated with formal or rigid. The structure may well be formal, traditional and hierarchical as implied by Weber, but equally it could be designed on a project basis or even as suggested by one participant in a youth Organisational Management course as chaotic but effective. Networking also has an effect on some youth operation structures. In summary a youth organisation may use models common in the corporate and statutory sectors or may have designed a unique structure to suit its specific national or international purposes. Whatever the structure there should be conscious awareness of it.

Common and fundamental questions associated with structure are:

What is the purpose and strategy of the organisation?

What internal and external policies affect its work?

How are the various tasks to be divided among the persons concerned?

How much specialisation and concentration of tasks is desirable or necessary?

How many establishments or sites are required nationally or internationally to implement the policy and strategy of the organisation?

How much decision making should be devolved from the centre in large, and particularly international, organisations?

Depending on the answers to these question then decisions on the creation or evolution of the following may be appropriate. It is important to be aware that divisions between one type of structure and another may be fluid rather than rigid. Consider the simple divisions below.

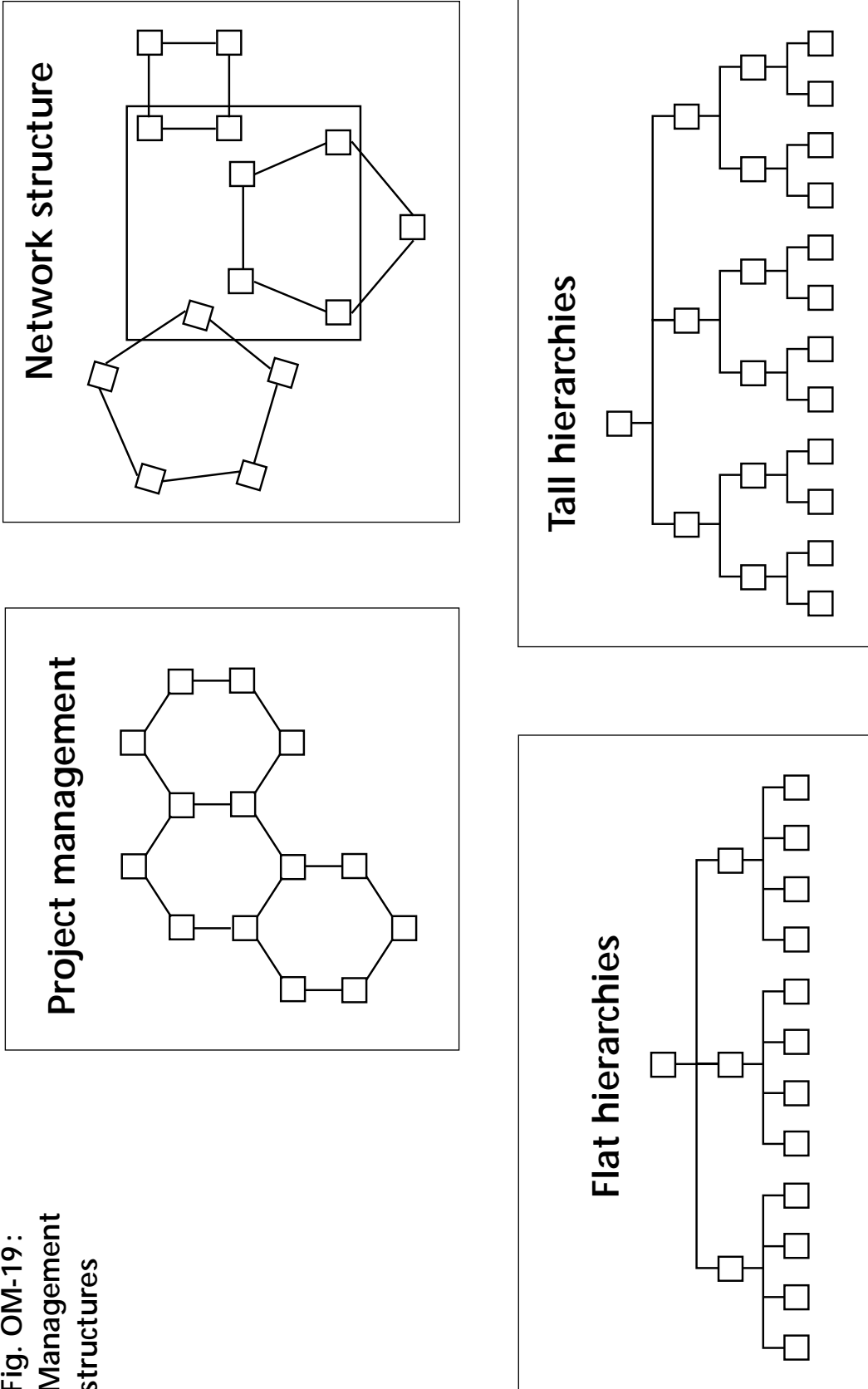
- 1 **Tall hierarchies** are, as the name suggests, built on a multi layer system and often formal basis with high degrees of specialisation at both functional and operational levels. Such traditional structures are accepted as the form which best fits the military model or that implied by Weber. Some international youth organisations may fit into this description.
- 2 **Flat structures** have been a recent response to the downsizing of businesses in order to increase efficiency and profitability. Are these appropriate structures in an NGO environment? Using the language of advocates of formal structures, flat structures imply wider spans of control. Given the use of volunteers the principle may be valid. There are also arguments for this structure being most appropriate to the learning and development of staff.
- 3 **Project management structures** are designed to be fluid and respond to specific and sometimes short term needs. The implication is that teams may be formed for particular projects and then abandoned. By implication, individuals may be members of more than one project team where hierarchy is subservient to achievement. Would this principle fit volunteers and paid staff in co-ordinated activities?
- 4 **Network structures** contain some of the elements of a project structure but extend to and sometimes incorporate other organisations. The communication demanded would therefore be within the organisation and beyond it to individuals and groups who themselves belong to separate organisations. Networking among youth organisations may be formally or informally established but would at least be a structured system of organisations with compatible goals and sympathies.

Suggestions for training

- Ask individuals to draw an organisation chart of the main functions of their organisation and compare results within and between individuals.
- Use the organisation diagrams illustrated without using any labels at outset to encourage comparisons with participants' youth organisations.



Fig. OM-19:
Management
structures





4.3 Systems Management

The idea of systems in management has biological antecedents. The principle of a systems approach is based on the view that the organisation is a unified and directed system of interrelated parts. Advocates of systems theory may argue that the ability to manage diversity increases the flexibility of an organisation. Systems may be closed and rigid or flexible and open according to the desires of the management of the organisation concerned.

Systems theory comes from the work of biologists like Ludwig von Bertalanfy who proposed the term "systems theory" in 1951. His ideas were elaborated by Boulding who proposed a nine level hierarchy of systems according to the complexity and stage of development of each level.

There is no universally accepted distinction made by management commentators between system and process. Accordingly, practitioners use terms like "communication system" and

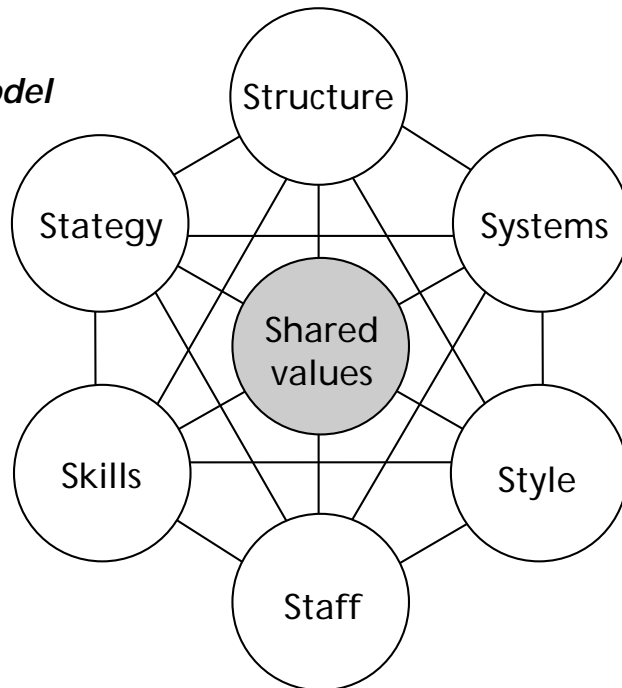
"training system" to describe parts of the management process.

The significance of the term system is the recognition that organisations are complex and dynamic social bodies with interdependencies both internally and externally.

While the ideas of systems may appear abstract the value to the organisation is twofold. It focuses thinking on the organisation as a dynamic holistic model and allows managers to decide upon and implement the most appropriate management processes within the whole.

The focus for the youth organisation should be on the interaction of staff, volunteers, and members, taking into account the environment, external and internal, in which they all operate. In the consideration of any approach defined as a system, a youth organisation would probably wish to incorporate the ideas of pluralism rather than a unitary approach. In this context the consulting firm of McKinsey and Co. has proposed the Seven-S model for a successful organisation where the emphasis is on the equality and interdependence of the factors shown in the diagram. Would the term staff cover both the volunteer and paid employee in this context?

Fig. OM-20: Seven-S model



Source: Mullins, Laurie J. (1999) Management and Organisational Behaviour, p. 863, 5th ed. London: Pearson Education. ISBN: 0-273-63552-2



4.4 Organisation development (OD)

As the comment on Systems Management has illustrated the organisation should be dynamic and adapt to the needs which it exists to meet. Moreover, there is evidence that in business organisations, emphasis on the management of people does improve the performance of an organisation. Given the underlying values of organisations concerned with young people this may be accepted, but well researched evidence is not always available and may be replaced by belief and assumption. Managers of youth organisations may be encouraged by the research described below.

Work carried out by Malcolm Patterson and his colleagues, drawing on the work of the Sheffield Effectiveness Programme, indicates a strong positive relationship between employee attitudes, organisational culture, human resource management practices and organisational performance. The report has had a profound impact on strategic thinking and has been used by many organisations to shape their people management agendas.

The Sheffield researchers have drawn on data from an ongoing 10 year study (1991-2001) examining market environment, organisational characteristics and managerial practices in more than 100 manufacturing firms in the UK. Their overall aim has been to determine which factors principally influence business effectiveness. A youth organisation may easily substitute the term organisational effectiveness.

The researchers compared fluctuations in profits and productivity between these firms over the years and measured the variations in these changes. The variations were then studied in relation to particular managerial practices. They found that job satisfaction and organisational commitment, supervisory support, autonomy and training accounted for a small percentage of productivity variation. By comparison researchers were able to attribute 29 per cent of the variation in productivity over a three to four year period to the human relations dimension of the organisation.

If this case study emphasises no more than the fundamental issue that the organisation's

development plans should be people based it will serve its purpose. It may seem an obvious statement but focussing on, for example, technology or external (political) relations as the main basis of development plans is not unknown, even in organisations which describe themselves as people centred.

Classic management text books assume stability of employment and long term contracts. In the 1980's and 1990's more attention has been paid to a management environment of short term or uncertain contracts. Work in these areas is nearer the reality of the volunteer's situation.

The problems associated with sometimes arduous conditions of employment, low income and high staff turnover are well understood by youth organisations. Long term solutions for individuals are by definition inappropriate when dealing with short term contracts. The emphasis is thus more likely on job interest than career development (at least within the organisation).

In addition governance by a board of volunteers who may have a range of motivations for participation, demands specific approaches to organisational development. While the principles outlined below provide a useful guide, individual needs will be related to the specificity of the management board concerned.

Organisation development is concerned with medium and longer term strategies to ensure the following:

Problem solving within the time-scale agreed. Structural changes which may be necessary to achieve changed or additional policies. Optimising the communication inside and beyond the organisation to promote effectiveness and avoid discord.

Among the management processes which may be put in place to ensure the desired improvement in organisational performance the following may be value to a youth organisation.

- The creation of quality circles where the objective is to examine all elements of organisation and service provided with a view to improvement. The essence of such groups is that they should be devoid of all sense of hierarchy or authority. Ordered and logical analysis is less important than the enthusiasm for improvement.



- Asking paid staff, volunteers and users of the services provided for their view in a structured or semi – structured manner may also be of value. Questionnaires or interviews using standard questions are both valid techniques
- Holding meetings to ensure that individual and group development are consistent with the organisation's needs. The issue of organisational needs and its relevance, or even conflict with the perceived development need of individual volunteers should be predicted and resolved at the planning and implementation stages.

4.5 Decision making and policy development

The issues involved in decision making and policy making are many and complex. With the emphasis on management process, the structure of the organisation is a prime factor. In large organisations there is a risk that decision making is a remote process.

There is a risk of alienation of those involved at some distance. Where distance may be defined by geography or by structure. In addition the comments below should be related to those in section 3 on the management of people and on the issue of leadership in particular.

Decisions are not made in a vacuum. There are normally strong influences exerted by:
The past collective experience of the organisation

Current problems, perceived or real, of the organisation

Personalities of the decision makers

The belief that the organisation is part of a system as described above, whether rigid or flexible.

The effect of any decision should be considered:

- in relation to the time scale of the desired change or implementation of a plan of action vis-à-vis the morale of the staff involved.
- in the case of a youth organisation, relative to all the stakeholders concerned

The popular image of one powerful person (usually a man) sitting in isolation behind a desk and deciding the fate of a whole organisation is far from reality. In deciding to decide the questions posed below are paramount:

How large is the gap between the current and the desired state of affairs?

What is the priority in making a decision on issue A as against B etc.?

Is the decision easy to make? Alternatively, is the problem easy to solve?

How long is the interval between taking the decision and putting it into effect?

Could the problem resolve itself over time?

Combining the concept of management processes with decision making, two major divisions are suggested.

The first is the establishment of a method or mechanism for dealing with routine or predictable decisions.

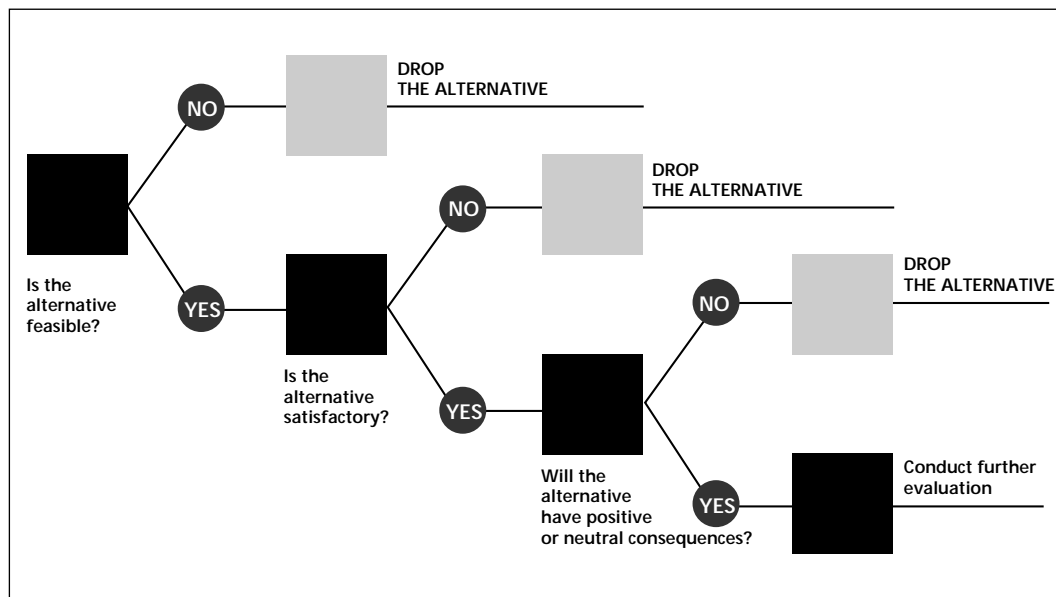
The second is the consideration of decision making in non routine issues.

The difference between the two may also be termed programmed and non programmed decisions. Setting up a process of consultation within the structure and considering feedback on previous decisions is one method of dealing with "standard" decision making. The compromise is that a process has been established but at least some individuals may feel that they have insufficient discretion in the process. The process may involve decision making recommendations at individual, team or unit level. Unit in this sense could mean a local youth organisation.

Decision making runs on a continuum from certainty through risk to uncertainty and from high to low control on the part of the managers of the organisation. In non routine decision making the managers concerned have to assess the risk of the outcomes in deciding in various ways. Whether an exact mechanism for emergency decision making is possible to specify, remains in doubt. Sometimes decisions have to be made immediately and locally without reference to the structure and the learning from the decision is entirely retrospective. This challenge at least should be recognised and would form part of management training. The process established to optimise decision making effectiveness is fundamentally related to the concentration or devolution of



Fig. OM-21 : Decision making



Source: p. 250 in Stoner, J.A.F and Freeman, R.E. and Gilbert, D.R. (1995) Management, 6th ed., London: Pearson Education Ltd. .

power within the organisation and to the levels of policy development agreed or practised.

Suggestions for training

- Ask participants to write down the decisions or type of decisions which they make and whether this decision making is routine or ad hoc.
- Verify the perception of formal authority in the decision making process. Is there within the participants' organisation a recognised process for individual and collective decision making?
- Ask participants to describe in writing a decision to be made – one sentence – and then apply the decision making questions of the model in OM-21.

4.6 Communication and information

Organisations are often described as having channels of communication. There may be the automatic assumption that the channels of communication are an integral part of the organisation's management structure.

Communication by definition includes the transfer of information. Henry Mintzberg has emphasised the importance of communication in the management process. He proposes:

Interpersonal roles – where managers act as the leader of their part of the organisation. He refers to studies which demonstrate that managers spend 45% of their time with peers, 45% with people outside their units or immediate organisation and 10% with their superiors. Would this be true of a local youth organisations, or a national or international organisation?

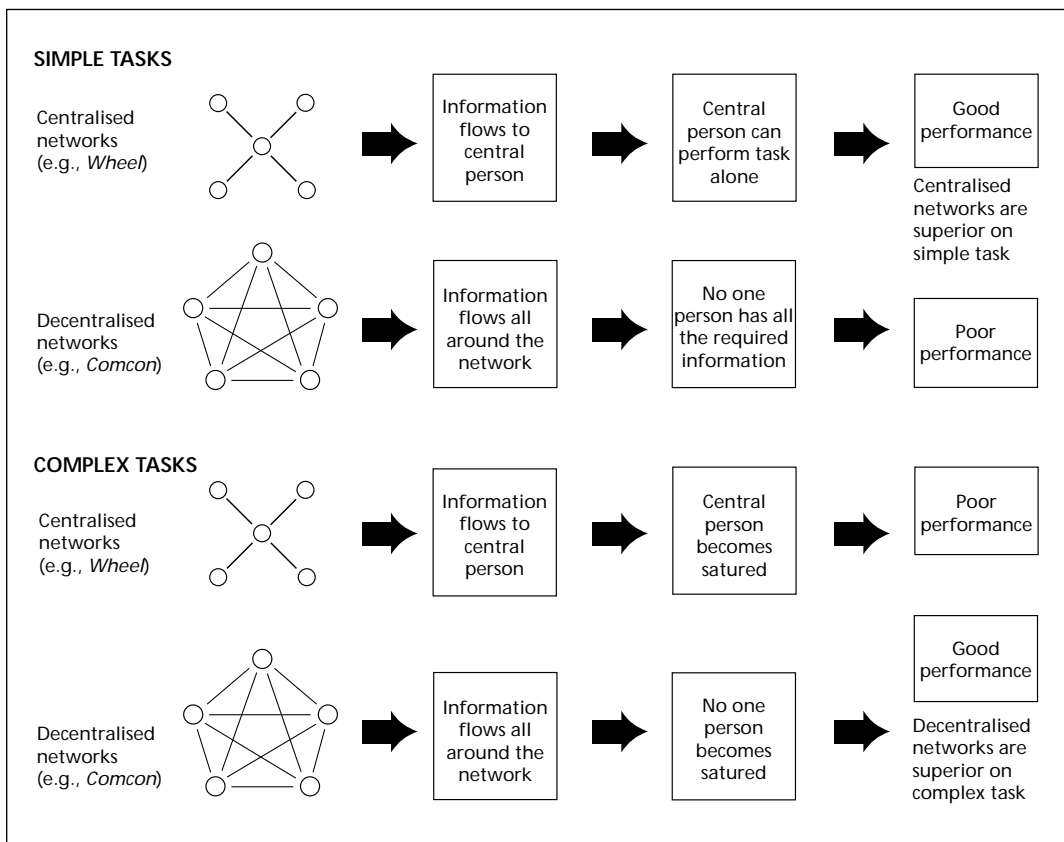
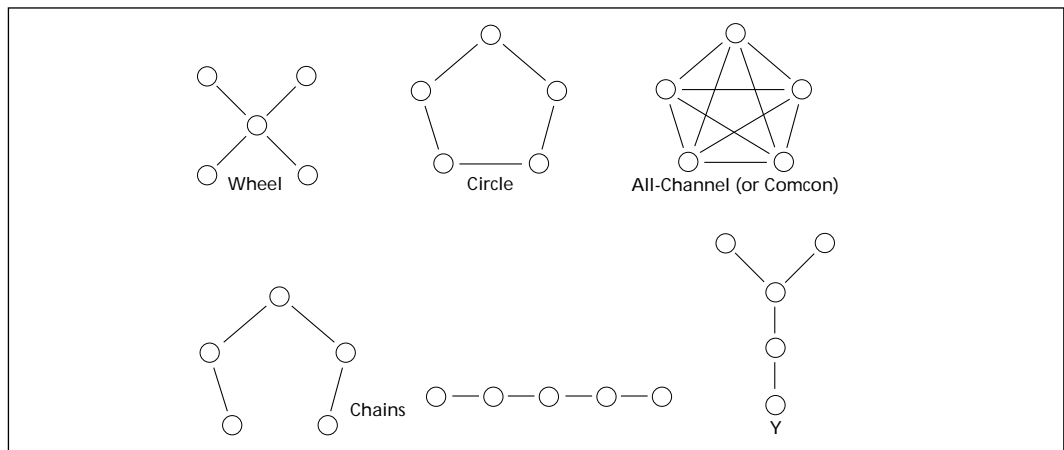
Informal roles – where the author asserts that managers seek information from any group or individual which may be relevant to his/her



job. The manager also disseminates important information in return both within and beyond the organisation. Methods and techniques of communication are also included.

Decision roles – where a manager implements new plans, allocates resources and communicates the rationale of decision made to others within and beyond the organisation.

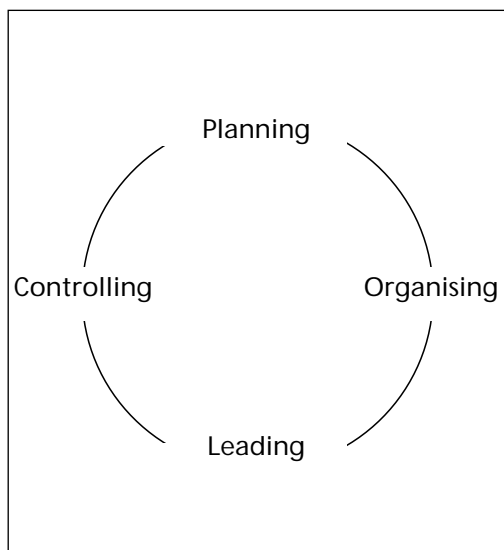
Fig. OM-22: *Communication networks*



Source: Mullins, Laurie J. (1999) *Management and Organisational Behaviour*, p. 489-490, 5th ed. London: Pearson Education. ISBN: 0-273-63552-2



Fig. OM-23



There are many models of communication related to management process. Some revolve around the idea of sender or source, through encoding, down or through a channel, to decoding and receiver. Following the analogy of radio signals the model then speaks of transmission back to the sender who then becomes the receiver.

Following the logic of radio signals some writers use the term noise to imply some kind of distortion of the message between receiver and sender. The word noise may be a euphemism for perception of receiver or sender, ie the encoding and decoding stages may be affected by hierarchy, rumours, inconsistent policy, or more fundamentally the lack of a recognised management process for the transmission of information or even confusion in the cycle described above.

The illustration OM-22 describes two communication networks and assesses them in relation to simple and complex tasks. The wheel or star is the most centralised network and proposed for simple tasks and problems. The circle is the most decentralised, suggests little control and low leadership predictability. The claim is that the circle better embraces change and suits complex problem solving.

The "all channel" or "comcon" network is also decentralised and involves full discussion and participation. Under pressure it may revert to a wheel type.

The Y or chain network may be suitable for simple problem solving with little interaction in the group. Research suggests low to moderate levels of satisfaction within a group.

4.7 Knowledge and learning

Communication is inextricably linked with knowledge and information. In the modern business world the relationships between knowledge, power and competitive advantage are the subject of analysis and debate. Since youth organisations are not concerned with competitive advantage the issues of communication are further explored below in the context of the learning organisation. Because of the importance of learning in a youth oriented culture the inclusion of Learning Organisations in this section as well as in Section 4 has been deliberate. The treatment and analysis are however related to the management of others in the previous section and to the process in this.

The Learning Organisation

The corporate sector has taken an interest relatively recently in the optimum means of disseminating information and knowledge within the organisation. Shell was one of the early promoters of the principles.

The British based consulting group David Skyrme Associates in trying to suggest a definition to assist managers have proposed the following:

Learning organisations are those that have in place systems, mechanisms and processes, which are used to continually enhance capabilities of those who work for them or with them and to achieve sustainable objectives for that organisation and the communities in which they participate.

The objectives for which this learning is being advanced should also be extended to the total environment of the organisation.

While the authors may not define the word community in the same way as a youth leader



the fact that it is used suggests an additional emphasis for those involved in the enhancement of young people.

The writers also list the following important points. Learning organisations:

Are adaptive to their external environment
Continually enhance their capability to change and adapt
Develop collective as well as individual learning
Use the results of learning to achieve better results.

Arie de Geus (in Senge 1990) described learning as the only sustainable competitive advantage. How should this statement be translated into the culture of youth organisations? Should they design a management process which ensures the constant sharing of knowledge and, if so, for which purposes? Can it be assumed that the sharing of knowledge and the transfer of skills always takes place in a co-operative atmosphere? Is the competence of the individuals and teams within the organisation likely to be enhanced by this knowledge transmission and sharing?

Peter Senge (1990) defines the learning organisation as "an organisation that is continually expanding its capacity to create its future. For such an organisation it is not enough to merely survive. Survival learning or what is more often termed adaptive learning is important – indeed is necessary. But for a learning organisation adaptive learning must be joined by generative learning, learning that enhances our capacity to create".

Given the objective of this section on process and system the following management processes and associated procedures or methods are suggested. The principles have been borrowed from David Skyrme and adapted for youth organisations. Skyrme emphasises the role of culture in the organisation. A culture which assumes co-operation and exchange underlies these suggestions. Since previous sections deal with culture, internal, external and its ramifications then further exploration is not attempted here.

- **Strategic Planning.** Approaches to planning which may be novel or unconventional. Youth organisations may be well placed to attempt different kinds of thinking in this area. Time and other resources therefore should be allocated to set up experiments

using different communication methods and thereafter measure their effectiveness.

- **Analysis of Internal and External Environment.** As part of a process of continuous monitoring all key factors should be examined including elements which may at first not appear to be of prime relevance to a youth organisation, like technology and political factors.
- **Information and Knowledge Management.** Use techniques which identify audit, value (cost benefit) and exploit information as a resource (termed IRM or Information Resource Management). Information may originate from internal sources, be contributed by other managers or derive from conventional written information or electronic information such as the Internet.
- **Team and Organisation Development.** Facilitators may be used to help groups with work, job and organisational design and team development. Objectives include reinforcing values, developing vision, cohesiveness and creating a climate of stretching goals, sharing and support.
- **Performance Measurement.** Creating appropriate indicators to measure performance, those which provide a balanced and fair system within a youth organisation. A measurement system must be positive and encourage further investment in learning.
- **Rewards and Recognition Systems.** Introduce processes and systems which recognise acquisition of new skills and enhance team work as well as individual effort. Ensure that success is well publicised to encourage further development.

Tools and Techniques. Youth organisations will be familiar with many of the following but they should be related to the encouragement of learning.

Inquiry – interviewing, seeking information
Creativity – brainstorming, associating ideas
Making sense of situations – organising information and thoughts
Making choices – deciding courses of action
Observing outcomes – recording, observation
Re-framing knowledge – embedding new knowledge into mental models, memorising.



Collective learning requires skills for sharing information and knowledge and includes:

Communication, especially across organisational boundaries

Listening and observing

Mentoring and supporting colleagues

Taking a holistic perspective – seeing the team and organisation as a whole

Coping with challenge and uncertainty.

Suggestions for training

- Use the six processes listed above, Inquiry to Re-framing knowledge as the methodology for solving a participant presented problem.

4.8 Strategic planning

Choosing to make a strategic plan will have a significant effect on the influence an organisation has on society. It will influence any other type of planning and should have an effect on practical operations of an organisation.

4.8.1 Why planning is important

There is at least some agreement on the statement that in general youth organisations are playing an increasing role in society. However it is also important to note that this does not make things easier. On the contrary, the environment in which youth organisations operate is not a stable one but in constant evolution.

There are also other “internal” aspects that it might be useful to mention here:

- changing numbers and/or background of members
- lack of resources
- poor human resource practise
- lack of direction in the organisation’s activities or programme

Some of the above statements are common problems of many youth organisations around Europe and they clearly show a need for planning.

The increasing importance of youth organisations creates the need for better managed organisations, prepared to answer to the challenges of society. An ever changing environment requires organisations which can also change and adapt to maintain an influence and continue to provide services.

4.8.2 What is strategic planning?

There are different definitions for strategic planning. Michael Allison and Jude Kaye in their book “Strategic planning for Non profit organisations” (1997), give two very basic definitions:

“Strategic planning is a management tool and like any management tool, it is used to help the organisation to do a better job”. Then they provide a more elaborate definition that includes some of the key aspects of this kind of planning: “Strategic planning is a systematic process through which an organisation agrees on – and builds commitment among key stakeholders to – priorities which are essential to its mission and responsive to the operating environment”.

It has already being explained in previous chapters how management practises used in business can also be applied to youth organisations. In the same way practises in youth organisations are also relevant to business. As previously mentioned youth organisations have a distinctive aspect – their values – which can be a key difference from profit making organisations. When using a management tool borrowed from the commercial sector the values of the organisation have to be taken into consideration in every decision. The crucial point when applying commercial business tools in the voluntary sector is to ensure that the tools do not undermine the organisations values and principles. In other parts of this T-kit some emphasis has been placed on values. An extra definition is proposed here: values are standards or principles, ideas about the worth or importance of something or of certain qualities, especially when they are shared by a group.

Every organisation, regardless of its type, has its own distinctive values, but in the non-profit sector they are perhaps different – or just given a different profile to those of the commercial sector. In theory at least, youth organisations promote values which pervade the whole organisation, including the fund raising, communication and volunteer and staff recruitment



functions. The values of a youth organisation are normally established by the founders and moulded and shared by other or subsequent members.

The following notes summarise the different steps of strategic planning but before engaging in such an activity, it is important that the organisation takes some time to analyse its readiness. Consider for example the implications of the following:

- strategic planning takes time, do we have it? do we want to allocate it?
- strategic planning takes resources. are they available? do we want to devote them to planning?
- strategic planning needs commitment. Are we taking into consideration everybody when starting the process: volunteers, board, staff, clients....
- strategic planning needs co-ordination. do we have the right people to lead it?
- resistance to planning: is everybody in favour of strategic planning? How do we get everyone on board?

Suggestions for training

- On a sheet participants should review the implications of the five aspects listed above and if their organisation is ready for strategic planning. Such a review might then result in a document being drawn up to take to a General Assembly or equivalent, where the decision should be taken.
- In the event of the organisation not being ready, participants should try to study in more detail which are the problems so they can be solved and strategic planning can be developed to a further stage.

4.8.3 Strategic planning steps

Strategic planning is an ongoing process which involves, among other actions, gathering of information, discussions and negotiations, decision taking.... in order to produce a written document which may be called a strategic plan. However the process does not stop there; once the plan is written it needs to be put into practise and it needs systematic review. The

planning period can be varied but a good average would be a three year plan. Of course regular evaluation is essential at all stages and the outcomes of that evaluation have to be incorporated into the process.

Seven essential steps of the process are suggested below, followed by more information to support the group in performing the different steps.

- 1. Setting the basis for strategic planning**
 - who is going to be involved?
 - how is it to be done?
 - what do we need?
- 2. Vision and Mission: development or review**
 - Agree on a vision for the organisation
 - Writing (or reviewing) a mission statement
- 3. Assessing the environment**
 - Study strengths and weaknesses
 - Study opportunities and threats
- 4. Establishing strategic issues**
 - Decide on priorities
 - Write goals and objectives
 - Prepare a budget
- 5. Write goals and objectives**
- 6. Writing the strategic plan**
- 7. Implementing the plan**
 - Define, write and implement operational plans
- 8. Evaluation**

Step 1. Setting the basis for strategic planning
Even assuming readiness for strategic planning there are still certain important aspects to take into consideration:

Who is going to be involved?
This question may have different answers depending on the organisation's size. In a small organisation it could be interesting that all staff and management board are present as well as a representation of the rest of the organisation's stakeholders (a stakeholder is anybody who cares, or should care, for the organisation, including staff, volunteers, board, clients, founders, community leaders, former staff and volunteers, suppliers etc.). In big organisations this is not possible, so then the answer may be to set up a planning committee, which of course should also represent all the organisation's stakeholders. In any case it is important that the group includes a variety of people, and especially the executive director and the members of the board.



In any case, everybody in the organisation needs to be involved in one way or another, unless the plan is meaningful to everybody then it will never succeed.

How is it to be done?

The description given here of strategic planning is one of many. Different authors have different approaches to it. Some of them going into greater detail and considering more steps than others, or simply distributing them in different ways. This is significant in the sense that this tool cannot be used in a rigid way. On the contrary it is meant to be flexible to adapt to a variety of organisations. So here it is time to have an overall view of it and decide which parts should be adapted to correspond the organisation's reality.

What do we need?

Strategic planning takes time and resources. However this should never stop the organisation from doing that which is needed to produce a plan. Recognition needs to be given to the involvement of staff and volunteers in this new task and to the resources which will be needed such as money for meetings, information etc. Allocation of responsibilities among the people involved is also required.

Finally when possible, it might be useful for some organisations, to involve an external consultant, who might help to facilitate the process.

Step 2. Vision and Mission: development or review

Now it is time to dream. If we are planning we need to know where we want to go, so our planning can have a direction. To define where we want to be we will use the vision of the organisation, which can be defined as a shared vision of success and it is the pursuit of this success which inspires and motivates people to work together.

We can define 2 types of vision:

- one which refers to the organisation internally and then we will have to imagine how do we want the organisation to be.
- one external vision which focuses on what the world will be if our organisation achieves its purpose.

The vision of the organisation should challenge and inspire the group to work together to the utmost of their capabilities in order to achieve the purpose of the organisation.

This purpose is sometimes called "Mission" and it can be defined as "the reason for being of the organisation" (Allison and Kaye, 1997) or we could also say that Mission is the role of the organisation in respect of the vision.

Obviously there are organisations that already have a clear mission statement. If this is true, then this is a good time to review it.

Writing a Mission statement can be quite a challenging task and it will probably take some time. However its importance should be considered, not only because it is an essential element for strategic planning but also because the process can help the organisation to involve the members in debating and agreeing on the reason for their work.

Of course there are different opinions on the contents of a Mission Statement. Different authors emphasise different aspects. In summary then, a mission statement (sometimes called purpose statement) could include:

- What the organisation intends to achieve.
- What we are good at. As a distinctive characteristic compared to other organisations.
- What we do, who we do it for and how we do it
- It should reflect the values of the organisation and its specificity.

Mission statements should be concise, clear and attractive. Here we have some examples of mission statements of different youth organisations:

IFM-SEI – International Falcon Movement-Socialist Educational International – seeks, through its member organisations, to develop children and young people with a critical awareness of the world today. It strives to educate children and young people according to the basic principles of tolerance, equality and friendship.

TEJO – World Organisation of Young Esperantist – aims to improve understanding between young people from various nationalities and speaking different languages by promoting the use of the international language Esperanto.

YDC – Youth for Development and Co-operation – aims to strengthen youth structures that forge co-operation between young people, empowering them to actively shape their



current and future livelihoods in order to reach a development that is environmentally sustainable, economical accessible and socially just.

YEE – Youth and Environment in Europe –
The aim of YEE is to promote lifestyles which are in harmony with nature, to protect and promote the proper use of resources in the world, to involve everybody into decision making process and provide education on the above mentioned ideas.

Once the mission is written, everybody involved in the process would probably experience a bigger feeling of ownership of it and therefore a stronger commitment towards the organisation. It is important that is published and also that it is in some way incorporated into the organisation's constitution or statutes.

Step 3. Assessing the environment.

The organisation exists in an environment, which has already been described as a changing one. This environment has an influence in the performance of the organisation; the organisation takes things from the environment and is affected continually by others.

Strategic planning demands a system which forces the organisation to respond to those changes, which in turn requires an analysis of the external environment such as: politics, economic trends, demographics, legal issues, community issues, competition with other organisations, change of values and needs of members or beneficiaries.

At the same time it is important to understand the internal situation of the organisation, so that the need for change can be best assessed. When evaluating the internal environment there should be an analysis the organisation in all its activities. Depending on the type of organisation these could be: finance, management, membership, marketing, services, programme and activities.

One useful tool which assists this process is a SWOT analysis, which stands for Strengths, Weaknesses, Opportunities and Threats.

- Strengths: what do we do well?
- Weaknesses: where can we improve?
- Opportunities: what changes have taken place in our environment which might allow us to better achieve our mission?

- Threats: what changes in the environment do we need to guard against or prepare for in doing our work (From Allison and Kaye, 1997)

The SWOT analysis should help us to identify which strengths of the organisation will allow us to make use of the opportunities and which of our weakness we need to eliminate or improve in order not to be affected by the threats. The SWOT analysis can be carried out at the level of the whole organisation or also for specific programmes or departments.

Step 4. Establishing strategic issues

After all the information is gathered in the previous phases, choices have to be made and priorities decided. At this point there may be a need to return a previous phase and do some more research. This phase can sometimes be frustrating, however the outcomes are most rewarding.

Bryson describes strategic issues as “fundamental policy questions affecting the organisation's mandates, mission and values, productivity level or mix, clients, users and payers, costs, financing, management or organisational design”. Prioritising these against the mission and vision will begin to put the meat onto the bones of our strategic plan.

It will not be a good idea to take shortcuts in this part of the process. The outcomes of the SWOT analysis can be useful and we should see how the strategic issues identified relate to the strengths, weaknesses, opportunities and threats.

The final step will be to narrow down the options available to realise the organisations primary goals. Once more, different authors give different versions of the essential aspects that have to be taken into consideration.

Henry Migliore et al in their book “Strategic planning for Not-for-Profit organisations” (1994) give the following list:

- Level of staffing/volunteer participation
- Level of resources and funds
- Reputation and level of acceptance in service area
- Clients served
- Quantity of programmes
- Quality of programmes
- Leadership effectiveness
- Quantity and quality of services



Step 5. Write goals and objectives

Discussions about goals and objectives will be pursued during the whole process of strategic planning. However at this point last stage of the process is in sight.

By now most decisions would have been taken and the overall picture of the organisation's direction should be clear. It is time now to agree on concrete measures to achieve the agreed results.

The use of a SMART analysis is of value in the current context. This mnemonic means:

- Specific: they should be written in a concise form that clearly states when, how, and where the situation will be changed.
- Measurable: so the achievement or process can be measured.
- Achievable: that means that the element of challenge has to be present to motivate people but they have to be affordable so as to avoid frustration.
- Relevant and Realistic: in this case the need is to focus on the priorities of the organisation.
- Time-bound: it has to include a time framework in which the objective will be achieved.

The point of commitment has now been reached. Now resource need to be allocated. The allocation of resources is defined in the budget, which is a document that reflects policy decisions, i.e. choosing between scarce resources and defining what the organisation should do. Budgets are normally produced by the board and approved by the higher decision making body of the organisation (General Assembly, Congress...), but again, the greater the involvement of all stakeholders the better the sense of ownership.

Step 6. Writing the strategic plan

If the reader who has decided to engage in strategic planning within their organisation, comes directly to this chapter, s/he will find that there is not a paragraph here to help them. Writing the strategic plan simply means to committing to writing the outcomes of the previous steps.

Perhaps it is better that just one person is in charge of writing. Of course there have to be opportunities for the others to be involved in the process of verification. However at this stage the main decisions have already been taken,

so not many changes should be needed, otherwise there is a risk of being engaged in endless drafting process.

As a document which will be used by a big variety of stakeholders it must be user-friendly to assist is the recognition of its ideas. Once the document is ready it should be formally adopted by the board and publicised as widely as possible within the organisation.

There is not a standard model but taking into consideration the steps previously described, a possible structure for the document could include the following headings:

- Introduction
- Mission and vision
- Organisation history and profile
- Strategic issues and core strategies
- Aims and goals (Allison and Kaye)

It may be that some or all of these sections should be written for each department and for the organisation as a whole.

Step 7. Implementing the plan

Now it is the time to set things on motion. Our strategic plan gives us the direction, the timing and the content. In order to implement it we need to develop actions (or operational plans) for each strategic issue. It is here that action verbs are used: for a recruitment strategy decisions on how to advertise the post, job description, number of interviews to candidates, budget for recruitment process ...etc. will be made.

The operational plans go into a greater level of detail than in the strategic plan, but they will ensure that each strategic issue is dealt with in a co-ordinated and effective manner. It is important that operational plans are consistent with the style of the strategic plan. The people who will implement the operational plans have to feel the link of their actions with the organisation's mission, as described in the strategic plan.

Step 8. Evaluation

In strategic planning, evaluation is just another step that will not only complete the process but better than that it will bring new information to the plan and will enable it to be further refined. Strategic planning then becomes an ongoing process of organisational development.



Evaluation needs to be carried out at different stages:

- During the process of producing the strategic plan
- And whilst the plan is being implemented

We have defined strategic planning as a process and therefore the on-going, or cumulative evaluation will not only contribute to the plan itself, but also to the effectiveness of the process. In this sense, there is never really a final or Summative evaluation.

4.9 Financial Management

Finance may be an element of management process which is well understood, with accepted methodologies practised over years. Even in such environments finance may not be universally accepted as an important issue. Important in this context lends itself to many different interpretations but whatever the definition, it should include understanding and involvement.

Understanding may be enhanced by studying the information which follows but will not resolve the issues of involvement. Much has been written and discussed around the idea of ownership. This concept applies no less to finance in all its aspects. Since many managers have had no specific training in finance there is a tendency to leave all related matters to the “experts”. Youth organisations in common with profit making organisations have the same requirement to make financial information available to those affected by financial decisions. The management process should incorporate at least the opportunity for a manager to make a contribution in the form of budget preparation. In order to assist in the discussions about the level of involvement, the following short descriptions of financial statements is offered.

Financial information is presented in many forms according to the needs of the organisation concerned. References may be made to both financial accounts and management accounts. This terminology makes the division between accounting for legal and statutory purposes and accounts which are prepared solely to

assist in management decision making. The former category would include balance sheets and profit and loss accounts while the latter may include budgets and cash flow statements. The following is recommended in any management training programme on financial management.

Budgets
Balance Sheets
Income and Expenditure Accounts
Cash Flow Statements.

4.9.1 Budget

This is a financial statement to predict allocation of expenditure against income or a quantitative assessment of the money to be applied to specific activities over a given period. Like Income and Expenditure they can be for a period which suits the organisation. They may be viewed as Income and Expenditure for the future or in a projected rather than historical form. The discipline of completing a budget or assisting in its preparation and then managing within the constraints of the resultant financial plan is the minimum suggested for a manager in any youth organisation. Given that there is often uncertainty about the source, amount and receipt of income, budgets may need to be prepared using conservative predictions (that is higher costs/lower incomes than you would think). The problem of late payments from funding organisations is in the first place a cash flow matter but expenditure on a project or even on fixed overheads may have to be adjusted according to dates and amounts of income. The budget periods therefore may have to be drawn up to provide maximum flexibility in the organisation's operations. The ability to amend a budget within a specified period and with a given period of notice is an essential feature of youth organisations' needs. An amended budget is sometimes presented as a forecast.

The whole organisation would normally have a budget and in the case of larger structures with local units of operation then sub or department budgets would also be normal practise. While individual managers may have little influence on total income there should be specific encouragement for involvement in the drawing up and the operation of budgets. Meetings to discuss the results achieved for different periods of expenditure is a valuable management training activity.



Such meetings may also be viewed as part of the decision making of the organisation. Decision making is certainly more associated with the drawing up of budgets. This said, once a budget has been amended the total process of producing,

implementing and evaluating the results is still linked to the previously cited planning, organising leading and controlling cycle (Fig 23). The planning and decision making in this sense are expressed in financial terms.

Fig. OM-24 : Example of a NGO budget

All figures in Euro

	ACCOUNTS	BUDGET
	1998	2 000
INCOMES		
1 Member Organisations' Contributions	60100	59 000
2 Admin. Grant EU	40000	40 000
3 Admin. Grant EYF	8000	8 000
4 Grant Belgian Government	6000	6 000
5 Interest	3250	3 000
6 Donations/Subscriptions	18 000	15 000
Subtotal	135 350	131 000
7 Projects	95 000	120 000
TOTAL INCOMES	230 350	251 000
EXPENDITURES		
8 Permanent and project staff	75 000	80 000
9 Volunteers/Trainees in the office	10 000	12 000
Subtotal staff	85 000	92 000
10 Office rent, heating, ...	5 900	6 000
11 PTS	16 850	14 000
12 Equipment	3 200	4 000
13 Staff travel	4 550	5 000
14 Board travel+ Communication	9 000	10 000
15 Annual General Meeting	9 350	9 000
16 External Representation	8 250	6 000
17 Financial committee	1 530	1 000
18 Miscellaneous	3 130	4 000
Subtotal non-staff	61 780	59 000
19 Project Expenses (excluding staff and other administration costs)	85 000	100 000
TOTAL EXPENDITURES	231 760	251 000
Surplus/Deficit (no Projects)	-11 410	-20 000
Surplus/Deficit	-1 410	0



4.9.2 The balance sheet

The information given in a Balance Sheet reflects the value or worth of an organisation at a particular date. One analogy used is that the clock is stopped at a specific time. These statements are typically prepared on an annual basis. The Balance Sheet provides information on the assets of the organisation. Assets include property, equipment and money owed to the organisation as well as money in the bank. Liabilities include money which the organisation owes to others.

4.9.3 The income and expenditure statement

This statement may be called a Profit and Loss Account or Financial Results. Income and Expenditure may be a more limited type of statement but shows the essentials of money available to the organisation as well as money spent over a given period and may be suitable for a small youth organisation or a local unit of a larger organisation. The end figure would be surplus or deficit for the period. In a commercial operation this would be profit or loss. These statements may be prepared on a quarterly, six monthly or annual basis and thus indicate the position of the organisation over the period concerned. Whatever the terminology the value of the document is as a management tool. Monitoring at intervals and analysing the changes in income, costs and expenditure provide information which is valuable in decision making and future planning.

4.9.4 Cash flow statements

In any organisation, whether for profit or not for profit, it is essential to plan the flow of money in, as well as out. The essence is to predict the balance of funds which will be available in the bank or department budget. At its simplest the last figure shown for the period concerned, very often one month, is the bank balance. Any last figure which predicts a negative number would have to be agreed with the bank or the persons responsible for the funding of the organisation.

4.10 Contracting

Contracts with the organisation may take various forms. In the case of paid staff or volunteers

the contracts will incorporate elements of national employment law for the country concerned. Terms and conditions of employment are dealt with in the next chapter and so the emphasis which follows is on contracts for fixed assets like buildings, vehicles, office equipment and machines. As a guide for staff and volunteers alike the management process should incorporate procedures to identify activities which can be conducted entirely within the organisation and as a corollary, reference to the need for professional advice from the organisation's legal or accounting advisers. The following questions will assist in drawing up guidelines and procedures.

What is the value of the asset to be acquired?
Will the asset be owned or hired?

Over what period will the asset be written down? (sometimes known as depreciation – not applicable to all assets)

Does the organisation have an in-house adviser?

Is there a means of verifying the trustworthiness or competence of the business proposing the sale or hire?

Do the organisations' rules define the persons authorised to sign specific types of contracts with third parties.

It is common for example to define the persons or the qualifications of persons who may sign or agree contracts to purchase land or property but is it equally clear in the case of more routine contracts like the hire of photocopiers? The variation on apparently simple contracts on cost terms may be considerable.

4.11 Terms and conditions of employment

Both National and European law makes requirements of organisations in relation to the terms and conditions on which they employ staff. But it is also the sign of a good employer that terms and conditions are agreed, fair and appropriate to the conditions in which staff are working. As values driven organisations, with a focus on the development of people, there is even more need for European youth organisations to demonstrate their commitment to staff through proper procedures and documentation.



A statement of terms and conditions is a personal statement containing the fundamental details of the employment relationship. It does not contain all of the contract between the employer and the employee because policy documents, staff handbooks, job descriptions and other notices are also part of the contract.

Things you need to consider in relation to Terms and Conditions (T&C).

What is the minimum length of contract which requires T&C to be written?

By when should the T&C be given to the employee?

What other documents need to be referred to?

When writing the Terms and Conditions the following pieces of information should be included:

Who is the employer?

When does the employment start and end?

What is the job title? (refer to job description)

Job location

Remuneration (pay – when? how?)

Hours of work (normal hours, exceptions, weekends and evenings, overtime)

Collective agreements (union agreements)

What expenses will be paid?

Will accommodation be provided?

Holidays (how much? What notice is required?)

Reporting of absence

Sick pay arrangements (statutory and organisations own)

Pension rights

Retirement age

Probationary period (when will employee be confirmed in post?)

Grievance procedure (when an employee is not happy with the way the employer treats them)

Disciplinary procedure (when the employer is not happy with the employee's behaviour or performance)

Health and safety requirements

Work outside of the home country

Any other arrangements (reference to the staff handbook, notice boards)

The Terms and Conditions should also contain a place for both the employer and the employee to sign and date. The document should be produced in duplicate so that both parties can retain a copy.

There has been some debate about the need for formal terms and conditions for volunteers. However, organisations need to take care that they do not create a situation where they are, in law, employing someone and that the level of pocket money given is seen as payment below the minimum wage.

There is however a principle here which needs to be applied equally to employees and volunteers alike; that is, that anyone working for an organisation should be clear about what their responsibilities are and what expectations exist in relation to quality of their work. Publication and accessibility of all organisation policies on issues related to the work being done should also be considered. An agreed statement of expectations might be one way to make these things clear.

Suggestions for training

- Ask course participants to consider at least one paid and one unpaid worker in their organisation and to review the level of clarity of terms and conditions and/or expectations.
- How do they know this? What procedures are in place, or need to be put in place to improve this situation?



4.12 Managing external relations

Previous sections have alluded to both internal and external relations. A youth organisation would normally have a policy on external relations. Part of any management process should incorporate and reflect the policy. The process would be designed around answers to the following questions:

What is the organisation's policy on external and internal relations?



What perceptions are held by external bodies on the purpose and style of the organisation? Are formal or informal mechanisms or procedures helpful in promoting the policy within the organisation?

Should recommendations be circulated to ensure uniformity of approach when dealing with external bodies?

What is the nature of the external organisations with whom the organisation has constant or regular contact?

Some of the external bodies may be political organisations or government bodies which function with a background of elected members and employed people. The latter may be termed officials or executives. Youth organisations should be aware of the advantages and constraints associated with the democratic process behind such bodies. If the organisation is seeking support, particularly financial support, from such a body then the management process should at least ensure that there is no potential for creating embarrassment by duplication of contact for the same purpose. Likewise, if there are contacts with the corporate sector it may be necessary to ensure that neither the business concerned nor the youth organisation could be negatively affected by potentially conflicting interests.

The Board or managers of an organisation may wish to publicise the external and internal relations policy in a specific document. Alternatively the associated process could be incorporated into the policy on Communication and Information.

Suggestions for training

- Ask participants to list the external bodies with whom they deal or communicate on a regular and irregular basis. Describe the nature of the relationships. Compare the different outcomes and discuss the merits of networking among group members.
- Invite comment on the level of satisfaction of the processes involved as well as the outcomes.
- What is the link between process and outcome?

