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**THE ROLE OF MANAGER OR LEADER  
 IN A NON-PROFIT ORGANIZATION**

*Global trends show a strong demand for change in management and leadership. It does not only concern private corporations, but also public institutions, as well as non-profit organizations. Growing needs for sustainability, bringing more social inclusion, social cohesion, good governance, are the reflection of societies becoming more and more conscious and active in all three sectors of the economy (public, business and non-profit). This might require some revision in the concepts and theories of management and leadership, especially in non-profit organizations. The article does not fully reveal the problems related to the topic. Nevertheless, the theses introduced here might comprise the beginning of the discussion on the transformation of roles of a manager and a leader in contemporary non-profits organizations.*

**Keywords:** non-profit organizations; manager; leader; management.

**JEL classification:** L31, L33, L39.

Майя Прудениця, Агнєжка Млодзинська-Гранек  
**РОЛІ МЕНЕДЖЕРА ТА ЛІДЕРА  
 У НЕПРИБУТКОВИХ ОРГАНІЗАЦІЯХ**

*У статті показано, яким чином нові глобальні тренди зумовлюють потребу у змінах у царині менеджменту та лідерства. Це стосується не тільки корпорацій, а й державних структур та неприбуткових організацій. Увага до питань стійкого розвитку, соціального включення, соціальної єдності та сумлінного управління свідчить про те, що суспільство стає все більш уважним та активним у всіх трьох секторах економіки: державному, приватному та неприбутковому. Це потребує перегляду теорії та практики менеджменту. Дана стаття – початок авторської дискусії щодо трансформації ролі менеджера та лідера у сучасних неприбуткових організаціях.*

**Ключові слова:** неприбуткові організації; менеджер; лідер; управління.

**Табл. 1. Літ. 23.**

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*В статье показано, каким образом новые глобальные тренды приводят к потребности изменений в менеджменте и лидерстве. Это касается не только корпораций, но и государственных структур и неприбыльных организаций. Внимание к вопросам устойчивого развития, социального включения, социальной сплочённости и добросовестного управления свидетельствует о том, что общество становится всё более сознательным и активным во всех трёх секторах экономики: государственном, частном и неприбыльном. Эти явления требуют пересмотра теории и практики менеджмента. Данная статья – начало авторской дискуссии о трансформации роли менеджера и лидера в современных неприбыльных организациях.*

**Ключевые слова:** неприбыльные организации; менеджер; лидер; управление.

**Introduction.** Management and leadership are two different concepts, but they often appear to overlap. Contemporary organizations tend to be complex and operate within global business environment. However, functioning of non-profit organiza-

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tions is to certain extent different from functioning of other organizations. Hence, the roles of manager or leader in a non-profit organization should be described in a different context.

Therefore, there is a recurring focus on the importance of management and leadership and their distinctive roles in promoting and advancing interests of organizations.

There is intense competition and continuous pressure on managers and leaders to cooperate within the organization, to be able to achieve social and business goals.

The aim of the article is to describe the occurrence of the role of manager or leader under conditions specific for non-profit organizations. The case study is based on CDI Europe and KSON. The results of empirical research (IDIs, observational research) conducted in the above-mentioned organizations are presented.

**1. The role of a manager and a leader in contemporary organization – a brief conceptual outline.** On the practical level, a manager is called upon to demonstrate the quality of leadership and a leader – the skills of managing in difficult situations, in any organization. Pragmatically speaking, the distinction between a manager and a leader is not problematic.

"A manager is often portrayed as a procedural administrator/supervisor – an individual in an organization with recognized formal authority, who plans, coordinates and implements the existing directions or the organization: (Koontz et al., 1986).

A leader is defined as an individual who has influential position in a group that "extends beyond supervisory responsibility and formal authority" (Vecchio, 1994) and is involved in defining new directions and teaching successors 'to group organizational and social goals'.

This distinction between a supervisory manager and a visionary leader is to be understood in terms of their respective tasks and functions. Dunsford, the management guru, believes that management means "efficiency" and implementing policy, while leadership means "effectiveness" in making decisions, setting directions and principles, formulating issues and dealing with problems (Katz, 1974). There are 3 critical managerial skills identified: 1) technical skills (the ability to perform particular tasks or activities); 2) interpersonal skills (the ability to work well with other people); 3) conceptual skills (the ability to see the big picture). The last two are the attributes of competent leadership. Modern leadership theory supports an integrated approach to management and leadership.

Early work on leadership identified various styles of leadership based on personal qualities and behavior of effective leader, such as motivation, desire to lead, decisiveness, honesty and integrity, self-confidence, intelligence, professional knowledge (Kirkpatrick and Locke, 1991). Behavioral models focused on the relationship between leader's actions and their impact on employees' attitudes and performance. These studies compared various styles of leadership, such as authoritarian and democratic styles. They studied if an effective leader rather prefers to efficiently accomplish goals or to offer better benefits to his/her employees and subordinates. An ideal style, as proposed by Stogdill in 1974, combined the best of both approaches. In later studies the leadership theory is a part of wider approach to management.

The traditional distinction between a manager and a leader is vanishing. Non-profit organizations operate under the conditions of uncertainty, as the current global downturn and advancing financial crisis show.

Accordingly, the role of a manager requires flexibility, dynamism, management skills as well as leadership quality.

**2. Research process – assumptions.** The basis of the undertaken discussion in the presented article is the literature research and preliminary empirical research carried out between July and August, 2012 in the CDI Europe. The aim of this particular research was gathering data on the functioning of non-profit organizations in England and specific management in this kind of organization. The research material was obtained through indepth interviews with the CEO and other employees, observation and searching the Internet. The empirical research in Poland, concerning KSON, was carried out during the author's work as a volunteer (observational research) in the period 2009–2011.

**3. Characteristics of the studied organizations.** Founded in 1995 the Centre for Digital Inclusion (CDI) is the pioneer of digital inclusion in emerging countries, with the focus on entrepreneurship and community action. Today, they are a network of 803 self-managed and self-sustaining CDI Community Centers throughout Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, Jordan, with a small office in the USA. There are also offices in Europe: Spain and UK. They are interested in opening additional centers in Portugal and Spain, functioning on different basis than those in the UK.

CDI Europe aims to activate social minorities. Except low-income communities, their schools are also present in indigenous communities, psychiatric clinics, hospitals for mentally and physically disabled, as well as youth and adult detention facilities ([www.cdieurope.eu](http://www.cdieurope.eu), 07.09.2012).

Table 1. Network of CDI

Europe	North America	South America	Asia
United Kingdom	USA – office of institutional development	Chile	Jordan – representation of agreement suspended
Spain – local office/franchise contract		Ecuador	
		Columbia	
		Mexico	
		Argentina	
		Brazil	
		Peru – affiliated	
		Venezuela – affiliated	
		Uruguay	

Source: CDI Rede Resultados 2011 Painel de Controle versao final (Apr. 12), external report.

CDI Europe is the European hub for CDI, a global education and technology network. Its role is double-sided:

1. To run operations in the UK through their Apps for Good programme.

2. To support their global network through raising awareness and fundraising ([www.cdieuropa.eu](http://www.cdieuropa.eu), 07.09.2012)

"CDI Apps For Good" is the new name planned for the organization. It will not have "European" meaning anymore but will be aiming to develop Apps For Good globally.

Apps for Good is the award-winning programme of CDI Europe, through which young people learn to create apps that change their world. Apps for Good was piloted in South London in April 2010 focusing on solving real life issues that matter to young people or the communities they live in. It has been planned to run Apps for Good for consecutive 5 years, or even more, until it becomes a concept.

Apps for Good is delivered through school partners, and aims to:

- Encourage young people to use technology to tackle social problems.
- Increase entrepreneurial skills and confidence of young people.
- Bridge the gap between young people and business networks and knowledge that can help them.

- Build a connected world of young people, business volunteers and educators, inspiring them to solve problems and succeed through mobile technologies ([www.cdieuropa.eu](http://www.cdieuropa.eu), 07.09.2012).

In the period of April-June 2010, CDI Europe successfully ran the first pilot course with 9 unemployed young people aged 16–25 at High Trees Development Trust in South London.

In September 2010, an Apps for Good programme for secondary schools launched at the Central Foundation Girls School in Tower Hamlets, East London. In September 2011 Apps for Good was launched in more than 40 schools across England.

Karkonoski Regional Council for Disabled People (KSON) is located in Jelenia Gora. It is a union of non-profit organizations (associations) and other public bodies and corporations, established on March 27th, 2001. The assembly has legal personality, represented by its President. Council itself determines its goals, programmes, activities and organizational structure. It also adopts internal rules for its activities based on the voluntary work of members and benefits of volunteers. The organization has the right to employ workers, however, at the time of the research, none of the employees was employed on the basis of civil-legal agreements, or employment contracts. KSON consists of 15 non-profit organizations from Jelenia Gora (city in West-South Poland) and 5 companies, including 4 sheltered workshops, acting on behalf of many thousands of members and non-members, disabled people, being representative of a large part of the environment. It works on their behalf and for their benefit acting as an "umbrella organization".

In December, 2005, the Marshal awarded KSON the best non-profit organization of Lower Silesia.

The mission of the KSON is:

- Representing the interests of disabled people.
- Coordinating the activities of member organizations and creating conditions for full and active participation of disabled people in social life.
- Supporting actions to protect equal opportunities for disabled people in society.

- Activate children and youth with disabilities in education, science and technology, culture and sports.

Statutory task of KSON is social and professional rehabilitation of disabled people, as well as complex problem solving of these people through a series of activities – in cooperation with the local government of Jelenia Gora and regional authorities. The aim of KSON are socially useful activities that are in favor of the society, for all disabled people: as well members of the organization constituting the Council, as for non-members.

KSON's members are divided into: 1) Ordinary members; 2) Supporting members; 3) Honorary members.

The governing bodies of the KSON are: The General Assembly of KSON; President of KSON; The Board KSON (president, vice-president, secretary, treasurer and 3 members).

The basic direction of KSON is to ensure financial stability. Without a constant supply of financial support coming from different sources, KSON has no chance to keep its mission for the inhabitants of the subregion of Jelenia Gora, and especially to implement tasks such as:

- Research activities.
- Advocacy of disabled people.
- Communication activities.
- Social and professional rehabilitation, including handling office work.
- Reducing fixed and operating costs.

#### **4. Management and the role of a manager or a leader in a non-profit organization.**

A manager's work is complex and multidimensional. There are certain skills required to run an organization effectively. Management is a process of coordinating work activities so that they are completed efficiently and effectively with and through other people (Robbins et al., 2006). Essentially the main functions of a manager include planning, organizing, leading and controlling, as researched by H. Fayol, and in order to effectively complete these functions, certain skills are required along with a division of duties among employees. There are 3 levels of management, beginning at first-line managers, middle managers and top managers, each having varying roles within an organization and each require diverse skills to handle the range of responsibilities that come with their role. Theorist R.L. Katz defined a skill as "an ability which can be developed, not necessarily inborn, and which is manifested in performance, not merely in potential". Thus, the principal criterion of skillfulness is effective action under varying conditions (Katz, 1974). Katz proposed that managers require 3 essential skills or competencies i.e. technical, human and conceptual skills (Bergman et al., 2006), which are further divided at different levels of managerial authority.

Thus, the following question emerges: are non-profit organizations sufficiently distinct from both businesses and public agencies, in order to require separate management models and practices? Are the roles of a manager or a leader in non-profit organizations different from those in other organizations?

Trying to answer this seemingly simple question leads to the other, equally challenging one: is non-profit management a variation of business management? Is it closer to public management and administration? Or do we in fact find that manage-

ment of non-profit organization is distinct from both, requiring models that fit neither corporations, nor public agencies?

Evidently, these questions assume some agreement of what non-profit organizations are, and how to define them. Like all organizations, non-profit organizations vary much in terms of mission, size, mode of operation and impact, particularly in a cross-national sense. Some are closer to the model of government agency, others may indeed resemble business firm; and yet others may be little more than an informal network (Anheier, 2000).

Despite all these variations however, there is an emerging consensus among researchers in the field that non-profit organizations have the following core characteristics (Salamon and Anheier, 1997):

- Organized, i.e. possessing some institutional reality, which separates the organization from informal entities such as families, gatherings or movements.
- Private, i.e., institutionally separate from government, which sets the entity apart from the public sector.
- Non-profit-distributing, i.e. not returning any profits generated to owners or equivalents, which distinguishes non-profits from businesses.
- Self-governing, i.e. equipped to control their own activities which identifies those that are de jure units of other organizations.
- Voluntary, i.e., being non-compulsory in nature and with some degree of voluntary input in activities or management.

With this definition at hand, we can further ask if the non-profit form is intrinsically associated with distinctive features that lead to characteristic behaviors and outcomes. In fact, many writers have made such claims: Kramer (1981) sees the essence of voluntary agencies in their dual functions as value-guardians and service-providers; Hudson (1999) and Paton (1996) identify the value orientation of non-profit organizations as their essential feature; Tonkiss and Passey (1999) suggest that trust and voluntarism are at the center of non-profit organizations. Billis (1989) sees ambiguity as the essence of most non-profit organizations; and Lohmann (1989) finds that the notion of the commons is the key to understanding this type of organization.

The problem is that each of these suggestions is valid, at least to some extent and for some non-profit organizations, but not for others. Some non-profit organizations reveal Kramer's functions, while others do not. Some are value-led or value-based, while others operate without any explicit value system or ideology. Others are at most marginally based on notions of voluntarism, and may involve no volunteers at all. And even larger non-profit organizations are not essentially ambiguous in nature, as Billis suggests (1989); and yet others contribute little to Lohmann's commons (1989). It seems that we have to look deeper.

In this context, the arguments developed in this article suggest a thesis, which in its simplest formulation states that: management of non-profit organizations and the role of a manager or a leader are often improperly understood because we do not understand these organizations well, and it is frequently improperly conceived because we operate with the wrong assumptions about how non-profit organizations function.

When addressing the above thesis, one has to keep in mind that in the past, "management" was often regarded as a "bad word" in the non-profit world, as a prac-



tice incompatible with what some regard as the essence of the sector: voluntarism, philanthropy, compassion and concern for public good.

What is more, some analysts regarded non-profit organizations as trivial and inconsequential (Perrow, 1986: 172–173). In recent years, however, we have been witnessing almost the opposite trend. Non-profits have become a major economic force (Salamon et al., 1999), and non-governmental organizations have turned into important political actors (Meyer et al., 1997; Lewis, 1999).

**Conclusion.** Essentially effective management depends on 3 basic personal skills which define the role of a manager or a leader in non-profit organization:

- Technical skills that is skills that a manager or leader needs to accomplish the mechanics of a particular job for which he or she is responsible.
- Human skills, which enable them to be an effective group member and build strong relationships among employees and be able to build cooperative efforts among the team he/she leads.
- Conceptual skills, which are an essential attribute that enables managers see the organization as a whole allows to make abstract decisions which in turn will result in the best outcome for the organization and its employees (Katz, 1974).

The relative importance of these skills seems to vary with different levels of managerial responsibility, nonetheless conceptual skills, coupled with technical skills, human skills and a sound knowledge base, are all crucial elements in organizational performance (Bartolet et al., 2003).

In CDI Europe and KSON management and the role of manager or leader follow the same line but during the research some differences are revealed. They result mainly from differences in the functioning of non-profit organizations in Poland and in the UK. The tradition of creation, existence and operation of non-profit organizations in the UK is completely different in terms of legal and social awareness. For a British citizen support for broader social objectives is an honor and social responsibility. Therefore, non-profit organizations in the UK, including CDI Europe, resemble corporations where staff is employed under the contracts of employment. What also follows from this is that extensive social assistance provides more financial stability. Under such conditions managers have more security, which in return entails better performance of their roles and managerial skills.

In Poland the tradition of non-profit organizations is much weaker, less supported by the society, and its financial and legal authorization is not that much developed. Therefore, most of Polish managers of non-profit organizations are more leaders than managers. They manage organizations intuitively and not according to the theoretical foundations of management. In KSON workers are not employed by the contracts, everyone involved in the implementation of statutory goals, cooperates on the voluntary basis. If any stable employment solution appears, it is most of the time financed from the EU funds. Moreover the managers in KSON are primarily the retired people for whom work in this organization is more of a form of social inclusion.

Therefore, the roles that leaders of this organization meet are purely conceptual, incidental and resulting from economic and social situation. It is therefore not possible to present a complete analysis of roles and managerial skills, simply because the leaders of this organization do not fulfill it.

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