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ORGANIZATIONAL CULTURE IN NON-PROFIT ORGANIZATIONS – RESEARCH FINDINGS

Introduction

Organizational culture plays a significant role in non-profit organizations, as their members typically show genuine involvement in the cause they work for. Providing shelters for homeless, fight for human rights, prevention of violence in families – all such causes have a great appeal and foster commitment.

Cohesion of values and beliefs among members of non-profit organizations is a fundamental precondition for effective contribution to the cause at hand and a good explanation for imposing effectiveness of strongly motivated small groups. Deep involvement and strong attachment to values result from specific qualities of a non-profit organization:

- absence of financial 'result' pressure (the organizations work to fulfill social needs, not to bring profit, they mostly operate out of external financing sources),
- employment of voluntary (non-paid) workers,
- rendering services for the interest of community (society).

The aim of this paper is to identify organizational culture manifested in non-profit organizations on the basis of the author's own research conducted over the period of 2005-2006. The object of study involved assorted manifestations of organizational culture, such as norms, values, degree of formalization, management style, participation, power, approach to changes, approach to human resources.

The research findings demonstrate that organizational culture manifested in the organizations under study falls under the so-called 'dynamic community' category [Ł. Sułkowski, 2002, p.113].

The issues presented in this paper are significant, as an attempt at bridging the gap in subject literature with regard to non-profit organizations in general as well as selected problems of organizational culture.

1. Model of organizational culture as epistemological base for presentation of the findings

For the purpose of this paper, the following definition of the organizational culture was used: “[Organizational culture] is an outline of actions habitually employed by the group to mediate in case of discrepancies between values, such as between rules and exceptions, technology and personnel, conflict and consensus. Cultures may learn to arrange such values on increasing levels, hence better knowledge of exceptions leads to formulation of better rules” [F. Trompenaars, Ch. Hampden-Turner, 2005, p.24]. Values generate cultural patterns and norms that decide on identity and specificity of an organizational culture. Consequently, for the purpose of analysis of specific cultures of organizations, one should employ dimensions corresponding to specific values that serve to discriminate the groups under study.

Analysis and typology of the organizational culture of the non-profit organizations under study was based on a model introduced by Ł. Sułkowski in *Procesy kulturowe w organizacjach. Koncepcja, badania i typologia kultur organizacyjnych* [Cultural processes in organizations. Concept, research and typology of organizational cultures].

In this model, principal dimensions constituting cohesive culture configurations are: hierarchicity vs. equality, individualism vs. communitarism, high vs. low uncertainty tolerance.

- The hierarchicity vs. equality dimension is manifested in the following attitudes:
 - hierarchic organizations are dominated by: strong diversification of employees, elitist thinking, power structure order;
 - equality accentuates the need for: emphasis on similarities between employees at various organizational levels, egalitarian thinking, spontaneity and elasticity of structures and power relationships.
- Secondary to the hierarchicity vs. equality is the dimension of authoritarianism vs. democracy and centralization of power.
- The individualism vs. communitarism dimension is manifested in the following behaviors within the organization:
 - individualism is displayed in: placing individual freedom as a superior value in the organization, competitive orientation, preference for individual benefit, emergence of personality cult;
 - communitarism is displayed in: placing common good as a superior value, teamwork and organizational unity, worship of work, significance of the community.

- This dimension is affiliated with familism.
- The dimension of high vs. low uncertainty tolerance is connected with the readiness of the organization for:
 - in the case of high uncertainty tolerance – orientation on change, operation under information deficit conditions and high variability in decision-making;
 - in the case of low uncertainty tolerance – orientation on preserving status quo, preference for operation in fully informed environment, low or univariability in decision-making.

A hypothetical dependence was also assumed between strategy, structure and organizational culture of an organization, since these aspects explain the purpose of adopted decisions and actions, revealing the conscious processes of thinking and expressing opinions accepted by the majority.

The dimensions presented above form a variety of configurations that constitute distinct types of organizational culture. Overview of these types is presented in Table 1.

Table 1. Types of organizational culture

Organization type	Values
Type 1. Organization of fossilized management	Individualism, hierarchicity, low uncertainty tolerance
Type 2. Organization of individual profit	Individualism, equality, low uncertainty tolerance
Type 3. Organization of transformative leadership	Individualism, hierarchicity, high uncertainty tolerance
Type 4. Organization of adventurers	Individualism, equality, high uncertainty tolerance
Type 5. Organization of stability	Communitarism, hierarchicity, low uncertainty tolerance
Type 6. Organization of conservative community	Communitarism, equality, low uncertainty tolerance
Type 7. Organization of dynamic teams	Communitarism, hierarchicity, high uncertainty tolerance
Type 8. Organization of dynamic community	Communitarism, equality, high uncertainty tolerance

Source: Ł. Sulkowski: *Procesy kulturowe w organizacjach. Koncepcja, badania i typologia kultur organizacyjnych*, TNOiK & Dom Organizatora, Łódź- Toruń 2002, p. 76.

2. Identification of organizational culture in non-profit entities under study

Identification of organizational culture in non-profit organizations was based on the author's research conducted over the period of 2005-2006, concerning organization and operation of non-profit organizations in the Lower Silesia region, resulting in doctoral thesis: "Functioning of local non-profit organizations on the basis of entities operating in Lower Silesia".

The research covered 120 non-profit organizations (associations and foundations) in the Lower Silesia area. Various research techniques were used, including participative observation, documentation analysis and research surveys.

Methodology employed in the research enabled qualitative description of non-profit organizations both from an external viewpoint and in-house perspective (documentation analysis, observation, interview), including elements of organizational culture.

The following manifestations of organizational culture were studied: norms, tales, subcultures, degree of formalism and familism, style of management and degree of participation, degree of centralization and organizational power image, forms of communication, approach to human resources.

The research findings refer only to subjects under study, since the pool of analysed entities was not statistically significant.

2.1. Organizational structure, power, employment

The group under study represented two types of legal forms: associations and foundations. 97% of the analysed subjects showed a formalized organizational structure. The structure, however, applied only to authority system as required by legal norms. Organizations under study did not present any documents constituting any other forms of organizational structure, even if such other forms existed in practice.

The principal power in associations is the general assembly of members. Resolutions passed at general assemblies are based on equal vote rights, with decisions taken by simple majority of votes. All members are equal, both in relation to the authorities and one another. General assembly appoints members of the board, responsible for the management of the organization and with the power to decide on expenditures. General assembly also appoints members of audit committee with the power to control operation of the board, typically in relation to finances. Many statutes also include the notion of a special body to arbitrate disputes between members in relation to the association, as well as those between members and the board.

Influence of individual bodies on decision-making within the organization is assessed as follows:

- The Council, General Assembly – assessed as very high by 20% of organizations under study,
- The Board – assessed as very high by ca. 78% of organizations under study,
- Director – assessed as very high by 67% of organizations under study,
- Employees – assessed as very high by 60% of organizations under study.

The above distribution of influence of individual organization elements on decision-making seems to confirm both the democratic character of relations and lack of centralization. This tendency is also corroborated in employees' and organization members' opinions (in the case of associations) – in over 90% of the cases the subjects confirmed democratic character of internal procedures as well as opportunities for co-deciding on organizational actions and management style. The above confirms participatory style of management in organizations under study.

Due to specificity of the analyzed foundations, they largely come to resemble the operational model of an association, by choosing similar methods of actions and, consequently, adopting similar organizational structures. This results mainly from similarly scarce financial resources and the need to compete for support on the donator market with other non-profit organizations.

Organizational practice of non-profit organizations under study displays task-based approach to the pursuit of statutory aims, despite high variability of forms and fields of activities taken. The reason for such a relation lies in the fact that donators in their majority choose to finance specific projects and programs, delegate specific tasks or contract specific services.

In order to accomplish a project (task), the organization elects a 'task force'. Such teams are usually responsible for fulfillment of a series of actions, from the initial idea to final accomplishment. Time limits are set, resources and reward systems are established. Task force members are self-reliant (with task force leader labeled 'coordinator'), share responsibility for task planning and assessment of results, decide on personnel and financial matters, share full access to documentation and information.

Task force actions are assisted by the board by means of delegating powers inexpedient for autonomous operation. Oftentimes, task force coordinator is a member of the board.

Non-profit organizations of the Lower Silesia region included in the research employ 0-7 people full-time and 0-5 people part-time. 41% of their members (in the case of associations) are actively involved in organization work and officially employed. In 80% of the organizations, the board members perform

their duties on a voluntary basis (board members are not in any way employed within the organization). A relatively common phenomenon observed in the organizations is making use of paid personnel not formally employed. Such type of supplementary employment, based on task contract or fee-for-task agreement, can be observed in almost all of the organizations under study, with the average number of supplementary employment in the range of 2-6 people. Such a form of employment is usually chosen when the organization undertakes to perform an externally financed task, with the budget allowing for remuneration for people rendering services for the client.

Human potential of non-profit organizations would not be complete without consideration for considerable share of voluntary work. Voluntary work in this respect refers to non-paid community work. In Lower Silesia region, 44.4% of the organizations under study employed voluntary personnel (not employed within the organization), with the average number of such workers ranging from 3 to 9 per organization.

2.2. Human resource management

Due to scarce financial resources, non-profit organizations cannot afford to employ large personnel base full-time, hence they do not need to use elaborate human resource management instruments such as motivation systems. This is also confirmed in the findings of the author's own research.

The element of motivation in non-profit organizations is largely non-existent and frequently equated to personal motives of people choosing to work for such bodies. These motives mainly involve non-economic aspects, since by definition, the non-profit organizations do not offer financial benefit nor pay for the services rendered to the community. Employees of organizations under study typically believe that:

- clear and socially well-justified mission and organizational aims sufficiently motivate their involvement,
- work for the organization is perceived as mission or lifestyle passion.

The situation is characteristic for the concept of idea-driven management, presented in subject literature [M. Hożej, R. Kamiński, 1999, p. 19]. The essence of this type of management involves operation and development in line with a central (leading) idea that sets up a clear, idealized aim with the promise of better future. The central idea is viewed as a challenge for all employees and has to be defined in such a way as to offer them a chance of personal development and emotional engagement. People unified by such a central idea are capable of extraordinary effort.

Processes of qualitative shaping of personnel are effected through staff training. Organizations under study readily accept this form of improving

professional qualifications, though very few can afford to finance them out of their own resources. Demand is huge, but resources scarce. Consequently, organizations typically choose to participate in specific training courses addressed to non-profit sector and financed from various sources. Oftentimes, such courses are offered free of charge or at a small fee.

Observations and open interviews with employees of organizations under study showed that 80% of the bodies that employed voluntary workers did not undertake organized recruitment of such. Those that do, typically recruit through advertisements, leaflets, posters; many organizations use the media, such as radio, television and Internet.

Despite introduction of applicable legal norms, employment of voluntary workers is rarely formalized – only 5% of the organizations under study were able to present documents detailing principles of voluntary co-operation, similar percentage used some form of formal agreement defining relations with voluntary workers. The principal benefit of employing voluntary workers is perceived in their motivation and enthusiasm (71.5% of respondents), low cost of work (54% of the respondents), and chance to reach local community through voluntary workers (nearly 40% of respondents). The least common responses involved such benefits as flexibility and availability – 36%, and fresh competences, skills and ideas brought in by voluntary workers – 34.5% of the responders.

2.3. Strategy of organization

80% of organizations under study declared having a strategy. Strategy in this respect was defined as:

Table 2. Definitions of strategy in organizations under study

Responses	Percentage of organizations
One-time, long-term plan of action	18.2%
Limited range of aims, with resources set as the need arises	29.1%
Flexible concept of development with individual plans of actions	60%

Source: author's research.

In many organizations, the once-set strategy is subject to verification – this was confirmed by 77% of the studied subjects, while 22% did not employ any such changes. The need for further verification typically results from changes in the area of operation (change of field or form of actions).

Observation of practice shows that non-profit organizations design strategies in twofold manner. The first approach is called adaptive. It involves flexible reaction to changes in the environment, with strategy developed as a result of interplay of confronting expectations of the managing personnel towards further action. A typical behavior in this respect involves creation of new programs and plans of operation in response to the emergence of new external conditions (sources for financing activities of the organization). Such behavior is the reason why 60% of the organizations under study defined strategy in terms of a flexible concept of development with individual plans of actions.

Operation of non-profit organizations depends on their ability to secure financial resources for realization of their aims. Sources of financing are varied, as well as timeframes of obtaining the resources (varied times of tenders). Consequently, 30% of the organizations defined strategy in terms of a limited range of aims, with resources set as the need arises. In conclusion, choice of financing sources for those organizations was not a derivative of adopted strategy. On the contrary, strategy and its verification is based on potential and factual sources of financing.

This is confirmed by the fact that within the last 3 years, as many as 37 organizations showed change in the area of operation, but only for 7 of those the change was a consequence of adopted strategy, while the remaining ones decided to extend their activities in response to new potential sources of financing.

2.4. Elements of organizational culture

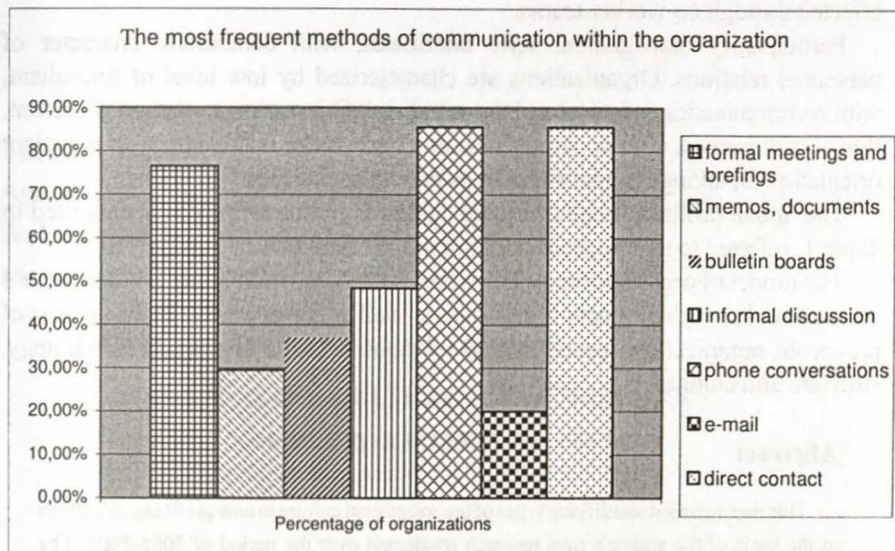
Non-profit organizations under study, operating in the ever-changing environment, mastered their ability to survive and reached utmost flexibility in shaping their organizational structure in response to changing conditions.

Those organizations are team-based, since most of their employees get involved in project work, with project leaders endowed with extensive authorities and powers.

Analysis of documentation in the group under study confirms that division of tasks, responsibilities and rights is not formally defined in organizational documents, save for a draft outline in the statute. These are based mainly on informal, flexible and orally transmitted principles, adopted to circumstances, especially in regard to individual arrangements of the task team working under specific assignment.

Organizations do not employ formal dress code and disregard official forms of addressing in co-worker relations.

Communication processes within non-profit organizations under study may take both a formal character (such as meetings and briefings resulting from formal statutory principles) and informal one in line with partnership relations and democratic nature of communication between leaders, co-workers and other members of the organization. Those forms are presented in the diagram below.

Figure 1. The most frequent methods of communication within the organization

Source: author's research.

Familism in organizations is practically non-existent, recruitment is frequently based on recommendation from organization members or employees. Cooperation and communitarism are prevalent. In practical application, however, there is a certain amount of disputes between members and appointed authorities. On the other hand, as a result of infrequent meetings of the general assembly, the authorities together with affiliated active members feel solely responsible for the well-being of the organization and consequently tend to alienate from the group of less active members. This, however, does not lead to formation of strong subculture groups.

Among the most frequently reported organizational strengths are the following:

- Strong, tight and stable team – 88% of the organizations under study,
- Involvement and high motivation of people affiliated with the organization – 88.6% of respondents,
- Clear rules for internal organization of work, suitable working procedures – 88.9% of the organizations.

Conclusions

To sum up the research findings presented herein, it may be observed that non-profit organizations are predominantly oriented to communitarism, equality and

high uncertainty tolerance. Values are oriented to mission pursuit, shared by all and effected through co-worker teams.

Participatory management style dominates, with democratic character of personnel relations. Organizations are characterized by low level of formalism, with communication informal and decentralized. Orientation to change is present. Power is dispersed, with no strong subcultures. Strategy is flexible, with prevalent orientation on taking up opportunities as they arise in the environment.

The above profile of organizational culture is in line with type 8 presented in Table 1, referred to as “dynamic community” [Ł. Sułkowski, 2002, p.76].

The model of organizational culture presented herein and based on the author’s own research, requires deeper verification as well as consideration in the context of non-profit organization operations and relations between organizational strategy, structure and culture.

Abstract

This paper aims at identifying types of organizational culture in non-profit organizations on the basis of the author’s own research conducted over the period of 2005-2006. The research covered 120 associations and foundations in the Lower Silesia area. Various research techniques were used, including participative observation, documentation analysis and research surveys.

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Analysis and typology of organizational culture, as applied for the purpose of the study, was based on a model introduced by Ł. Sułkowski in *Procesy kulturowe w organizacjach. Koncepcja, badania i typologia kultur organizacyjnych* [Cultural processes in organizations. Concept, research and typology of organizational cultures].

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