

Organisational level

Democratic management

In this background we:

- compare different types of organisation in terms of the ABC model's alternative forms of rule and see which fundamental values have priority
- compare the extent to which different types of organisation meet the Lifebuoy's criteria for democracy
- consider the possibilities for democratic management of meetings in different types of organisations

Different types of organisation – different forms of control

Companies and authorities

An organisation's decision-making process is seldom, if ever, entirely democratic.

In private business, for instance, authority is not shared equally; the employer appoints managers to direct and allocate work. Companies with many divisions tend to have a managerial hierarchy. The usual arguments are that operations must be directed efficiently and that managerial functions require special qualifications. Neither do the employees generally exert any influence on the appointment of executives; this is mostly a matter for the board of directors, which represents the largest shareholders.

Leadership in public administration and management has a similar structure, except that political bodies appoint the boards of national and local agencies. However, it may be membership rather than the nature of the operations that determines whether an organisation has some form of rule by experts as opposed to being based on democratic criteria. An example is companies that are owned by the employees, where there are less restrictions on the principles of *Equal consideration* and *Personal autonomy*.

Foundations

Foundations are an extreme case. Having no members, they cannot be democratic. Once the initial board has been appointed by the founders, it renews itself and is regulated by a memorandum of association that can only be amended in exceptional circumstances. Still, a foundation, although not democratic, is sometimes used for democratic purposes, for example to manage capital where the income goes to forms of development assistance that are controlled by the participants.

Associations

Working life is shaped by values like competence and efficiency, so the predominant form of control is authoritarian rule. Associations, on the other hand, have more room for the principles of *Equal consideration* and *Personal autonomy*.

Even the smallest associations usually have an executive committee. In an association that claims to be democratic, this committee must be directly accountable to the members at general meetings held at regular intervals. Thus it is the general meeting that is the highest decision-making body; each member's interest merits equal consideration and no one – not even the chairman – has more authority than any other member to ultimately decide which interests are to have priority.

Large associations with financial resources often have employees. The general meeting can then be likened to a parliament, the executive committee to a government and the employees to national agencies that implement government decisions.

Networks

A network is an arena for collaboration and negotiation. It is an anarchic form of organisation that – unlike an association – does not make binding decisions, only voluntary agreements. The fundamental value is freedom: no one is obliged to participate in joint actions or projects against their will. A network is not a legal entity; it is not in a position to make binding contracts, represent anyone apart from the collaborators or make statements on behalf of others. Neither can a network be held accountable for its collaborators' actions.

For example, the Academy for Democracy is a network whereby forty or so organisations voluntarily contribute ideas and money to a small secretariat that develops methods and training to promote issues to do with democracy. There is no membership; the organisations simply collaborate and each one decides whether to make a financial contribution, use the website's calendar, engage the secretariat for training and get in touch with other collaborators for joint projects. Thus, the Academy for Democracy is not an organisation in its own right; it is a platform hosted by one of the collaborators: the cultural association called Ordfront. Ordfront is the organisation that is accountable for the secretariat's budget and operations.

Types of organisation and the criteria for democracy

Inclusive membership – the central criterion

The absolutely crucial requirement is that everyone has an equal right to take part in decision-making. An association is democratic only if everyone is treated equally and respected as an autonomous individual – as an equal citizen. Any kind of discrimination is a breach of this requirement. Such tendencies can be countered in any organisation if its culture is to some extent influenced by the principles of *Equal consideration* and *Personal autonomy*.

In addition, however, the criterion of inclusive membership calls for certain formal institutions that are a feature of only some types of organisation. For example, all members must have an equal influence on procedures for appointing the board and the executives. If matters are not arranged in this way, the interests of some members will have more weight than those of others, which breaches the principle of *Equal consideration*.

An association may meet this requirement if it is open to all those who are affected by its operations and support its aims. Otherwise it will be more like an exclusive club that admits some people and keeps others out.

At the same time, the tokens of who is or is not a member must be clear and undiscriminating. Even if people are allowed to take part in certain activities without being a member, it must be possible to distinguish clearly between members (who have the right to take part in decision-making) and non-members. This is basically a question of power: the power base must be objective and clearly defined if it is to be shared. If the membership of some is dependent on the benevolence of others, the way will be open to nepotism and cliques.

A common solution is a membership fee. It obviously helps to finance operations but its most important function is to confirm membership: the voucher of my right to take part. This applies not least to the need for *long-standing* members to indicate at regular intervals that they still support the association's aims and operations and are to be reckoned with in the future. Otherwise, when a crisis leads members to take sides on alternative proposals, ghosts from the past may exert an undue influence on decisions.

How well do different organisations comply with the Lifebuoy's requirements?

The following chart compares how different types of organisation comply with the five criteria for democracy.

Final control

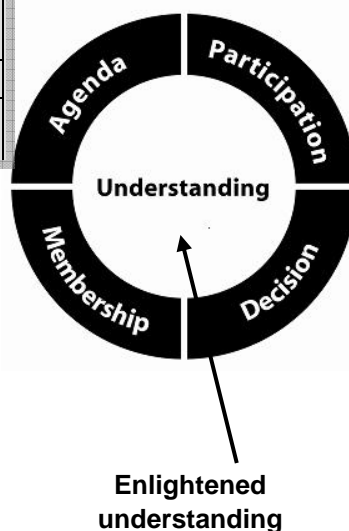
	Complies with criterion?
Company	No. Agenda is set by the board and management.
Public authority	No. Policy is laid down by controlling body.
Association	Possibly.
Foundation	No. Agenda is set once and for all in the charter.

Effective participation

	Complies with criterion?
Company	Possibly in some matters.
Public authority	Possibly in some matters.
Association	Possibly.
Foundation	Possibly but only as regards the board.

Inclusion

	Complies with criterion?
Company	No. Board and management are appointed by shareholders and have more power than employees.
Public authority	No. Management appointed by controlling political body and has more power than employees.
Association	Possibly, if membership is open, members elect the executive and the general meeting is the supreme decision-making body.
Foundation	No. A foundation does not have members, just a board.



Equal vote

	Complies with criterion?
Company	No. Management decides even if some matters are delegated.
Public authority	No. Management decides even if some matters are delegated.
Association	Possibly.
Foundation	Possibly but only as regards the board.

	Complies with criterion?
Company	Possibly to some extent.
Public authority	Possibly to some extent.
Association	Possibly.
Foundation	Possibly but only as regards the board.

Note that the criteria for *membership* and *decision-making* mainly concern the *form* of the process: one can tell whether an organisation is disqualified just by looking at its formal construction. On the other hand, it is not unusual for associations, for example, to fail the requirements because their rules are not followed in practice.

When it comes to *participation* and *understanding*, the Lifebuoy's requirements focus on the *quality* of the decision-making process. It is possible to comply with these two criteria even in companies and public agencies even though decision-making in their formal organisation is dictated from the top.

Control of the *agenda* – the issues which an association has the authority to decide – has to do with limits imposed by the outside world. These limits are often diffuse,

which is liable to result in power struggles and disputes about competence between associations at different levels.

Democratic management of meetings

Democracy at the organisational level is a question of more-or-less: Compliance with the Lifebuoy may be better for some requirements than for others. Even in a hierarchic organisation, feedback from employees to management can be improved (more efficient participation), just as decision-making procedures and powers can be clarified (better understanding). Much can be done above all to the culture of meetings.

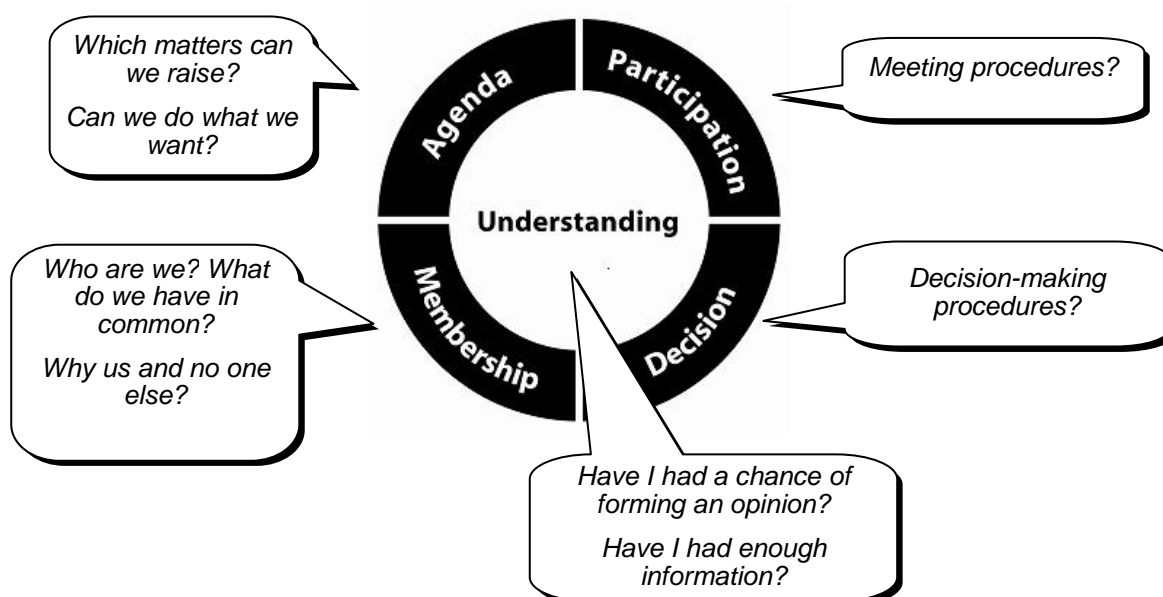
Different types of meeting – different forms of control

Meetings tend to be seen as a necessary evil and are often run by force of habit. There is seldom a chance of discussing the purpose of a meeting and arriving at a suitable form:

- if it is just a matter of conveying information to the assembly, perhaps one can make do with the classic form of guardianship, where the boss or experts talk and the others listen
- in a situation that calls for changes in the organization, a more democratic form may be preferable such as *Common Agenda* (See Method Bank), which gives an opportunity for everyone to make themselves heard.
- to find out what is actually happening in the organisation, a more anarchic form may set the participants free to air any topic they want and discuss it in smaller groups

A meeting or a day for planning can use a combination of these arrangements. That will call for careful process management to suit the needs of each situation. This is a crucial task, if one wants the meeting to have a favourable and lasting impact.

Meetings and the Lifebuoy



Every organisation has a history and so does every item on the agenda. Some know more about the background than others. An old hand may want to continue as before, others

may prefer a change; a newcomer – who does not know the answers to the questions in the chart – may wait and see as a bystander. Meetings in any organisation are influenced by the tensions this creates: shall we proceed as usual or is it time for a change? In an authoritarian organisation, this question is reserved for the management.

In a democratic organisation which people join and leave, the aims and procedures need to be overhauled from time to time and reconfirmed by all concerned. This is often overlooked. In order to reach a decision as quickly as possible, the constituent phases of the decision-making process – who are members and what the agenda should be – tend to be taken for granted, as something that was settled long ago. It is only when people do not participate as expected that it becomes apparent that something is wrong.

Meetings and power

Meetings take time. To ensure that their questions will be considered, people often want to have them discussed as soon as possible in case time runs out. In such a situation they may not want to spend precious time on procedural matters. That is liable to be self-defeating. Without structure, a meeting easily develops an oppressive atmosphere: a few determined members will compete for space; or the chairperson will take over, restore order and conduct the meeting on his/her own terms. In either case, after the meeting the silent members will wonder why they were there at all – their presence made no difference.

Everyone senses that during a meeting, time is power and many people hesitate to compete for it. Experience has taught them how easy it is for self-confident people to silence others and get their way by means of various forms of domination (see Method Bank). Democratic management of meetings therefore involves two primary tasks:

- encourage passive members to pluck up courage and assert themselves
- allocate time more uniformly between the members

It is possible to take charge of time and make participation more effective, so that everyone has an opportunity of making proposals, voicing an opinion and gaining a hearing. There are well-tried instruments for this (see Method Bank, *Instruments for better meetings*) that are easy to understand and use.

They are also controversial because they upset the prevailing structure of power in an organisation.