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Ann P. Dill a, Siniša Zrinščak b & Joanne M. Coury c

a Department of Sociology, Brown University, Providence, Rhode Island, USA
b Department of Social Work, University of Zagreb, Zagreb, Croatia
c State University of New York, Buffalo, New York, USA

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Nonprofit Leadership Development in the Post-Socialist Context: The Case of Croatia

ANN P. DILL
Department of Sociology, Brown University, Providence, Rhode Island, USA

SINIŠA ZRINŠČAK
Department of Social Work, University of Zagreb, Zagreb, Croatia

JOANNE M. COURY
State University of New York at Buffalo, Buffalo, New York, USA

While nonprofit social services are developing rapidly in post-socialist countries, little is known of their leadership. This research examines models of leadership as perceived by social service administrators in Croatia. Technical management with limited stakeholder involvement is recognized as most prevalent, though inadequate in many respects. More relational styles are considered desirable, but not feasible at present, while advocacy-oriented and purely Western approaches are more strongly rejected. We analyze these findings in the context of social legacies, dependency on state funding, Western aid paradigms, and fiscal crises commonly found in post-socialist countries. We assess implications for future development of, and research on, nonprofit leadership in these settings.

KEYWORDS development, leadership, nonprofit organizations, post-socialist, social service

INTRODUCTION

For close to two decades, the nonprofit/non-governmental or third sectors (NPS) in post-socialist countries have been under the microscope, as scholars examine the role these organizations are playing in civil society...
Nonprofit Leadership Development in the Post-Socialist Context

While NPS leadership, in both executive and board capacities, is key to the contributions and potential of the sector, its role in post-socialist countries has additional salience. A critical factor affecting the NPS’s ability to promote civic values and civic participation is whether citizens view these organizations as trustworthy, particularly in the area of interest articulation (Davidkov, Hegyesie, Ledic, Randma, Behr, Kessler, Sulek, & Payton, 2000; Stolle, 2001). In newly democratic settings such as those of Central and Eastern Europe (CEE), leadership becomes synonymous with an agency’s reputation for honesty and ethical conduct, and thus crucial to the legitimacy of both individual organizations and the sector as a whole.

There has now been abundant documentation of the NPS in these settings, and considerable attention to the diversity of NP roles, organizational arrangements, strategies, and relations to international NGOs, aid organizations, the state, and other social institutions. Yet, we know very little about nonprofit sector leadership in post-socialist settings, or about the relationships between NP leaders and their stakeholders. The nature of NP leadership and management of stakeholder relations are likely to be evolving in ways unanticipated by North American and Western European models of management and theories of leadership.

This article reports findings from a qualitative study of NPS leadership in Croatia focused on congruence of interests between NP management and key stakeholders. The purpose here is to assess the perspectives of leadership held by Croatian NPO executive directors (EDs) and stakeholders, in particular, board members. We examine how those perspectives reflect the present situation of the NPS in Croatia and also seek to understand how NPO actors interpret models of leadership developed and theorized primarily in Western democratic settings. Our specific questions include:

- How do NPO actors view models of leadership that vary according to two dimensions: internal vs. external orientation, and technical vs. relational style?
- Do they see such models as applicable to the NP sector in Croatia? As present today? As desirable for the future? How do views of executive directors compare with those of stakeholders?
- What do these perspectives imply for the assessment of the NPS in Croatia in comparison to other post-communist contexts?

MODELS OF NPS LEADERSHIP: THE NEED FOR COMPARATIVE PERSPECTIVE

Organizational leadership and management must be understood within social and political contexts. There is something in all countries called “management,” but it cannot be isolated from other processes taking place
in society. The meaning of organizational leadership differs to a larger or smaller extent from one country to another, and it takes historical and cultural insight into local conditions to understand these processes, philosophies, and problems (Derr, Roussillon, & Bournois, 2002; Hofstede, 1993; Pierce & Newstrom, 2002).

Until recently, most theory and research on leadership has been based on assumptions coming from western settings and, more particularly, the American emphasis on individualism, democratic values, and rationalism (House & Aditya, 1997). Yet what is considered effective, acceptable, and normative in leadership or management practice is likely to vary cross-culturally (Hofstede, 1993; House, Wright & Aditya, 1997). There is a limited literature suggesting that NPS leadership in CEE/post-socialist settings may differ from that in the west, particularly with reference to advocacy activities and relations with state figures. For example, Holland’s (2008) research on leaders of disability-related NGOs in the Visegrad Four countries found leaders adopting more of a consensual than confrontational approach in dealings with state policy makers. Similarly, Stroschein (2002, p. 3), studying NGO strategies for addressing Hungarian and Roma minorities, quotes one NGO leader as asserting, “This isn’t like the U.S.; you can’t start work on the basis of contestation.” Instead, working through trusted social connections is essential in post-communist settings, a legacy of resource shortages that limited the efficacy of standardized or monetized interactions and that does not necessarily translate into democratic institutions and processes (Gibson, 2001).

Other heritages of such regimes and of the transition process itself include mistrust of formal authority and reluctance to protest to officials, both matters likely to affect NPS leadership. As Celichowski (2008, p. 154) claims, based on CIVICUS research on civil society in different post-communist settings, “Civil society in Central Europe, the vanguard of civil society in the post-communist region, evolved in opposition to the state, and this legacy is still alive in some places simply through the persistence of ingrained attitudes, in others as a result of the ongoing hostility of the state” (Cf. Howard, 2003). To the extent that the state remains a dominant institution, with civil society organizations both less powerful and in cases state-dependent, it is reasonable to expect both tense relations and efforts to avoid confrontation.

CIVIL SOCIETY AND NONPROFIT SECTOR DEVELOPMENT IN CROATIA

The earliest days of the NPS in Croatia came during the period of late socialism. While during communist rule nonprofit organizations were under strict political control, this situation loosened in the 1980s, and some
independent civil initiatives started to emerge, particularly in the fields of environmental protection, women’s rights, and culture in general (Bežovan, 2004; Bežovan & Zrinščak, 2007a). Nonetheless, civil society development started in fact only with the dissolution of Yugoslavia and the beginnings of democratic statehood.

The first years of democratic development had contradictory influences on civil society (Bežovan & Zrinščak, 2007a; Croatia, 2007). On the one hand, democratization opened the space for civil initiatives not controlled by the state, and the overall social circumstances of that time (rising unemployment, impoverishment, and particularly the consequences of war) underlined needs for the assistance that numerous newly established nonprofit organizations could offer. On the other hand, slow democratic development and an influential legacy continued to fuel state distrust toward civil society (mainly focused on human right NPOs that were more critical of the government) and in general a negative public image of civil society organizations (CSOs). The situation was similar in other post-communist countries, though because of the state-building process and late Europeanization, Croatia democratization proceeded more slowly than elsewhere (Stubbs & Zrinščak, 2009).

Nevertheless, compared to the whole post-communist region Croatia sits somewhere in-between, or is more similar to Central Europe countries (like Slovenia, the Czech Republic, or Poland) with stronger civil society than to countries that experienced strong authoritarian rule (like Serbia, Georgia, or Ukraine; Celichowski, 2008). This is due to political conditions in the first decade of 2000. The coalition government from 2000 to 2003 (left-central) had favorable attitudes toward civil society, and a dialogue between the national government and CSOs was established. While that did not solve many of the problems of civil society development, it did increase the social visibility and influence of CSOs, including those in the NP sector. In turn, the social acceptance and legitimacy of NPOs also increased in the eyes of the general public. In 2004 a right-wing government again came to power. This government, in power up to 2010, has not had such a positive attitude toward civil society, but as it has continued with the reforms necessary for becoming an EU member, favorable conditions for civil society are nonetheless being put in place.

As in other countries, the process of becoming an EU member has contributed to structural changes that involve positioning civil society actors as social partners in many policy arenas (Gaśior-Niemiec & Glinski, 2007). Of course, that does not mean that civil society has simply flourished, with all political and social barriers disappearing. As will be seen from our research, the relation to the state, lack of sufficient funding, lack of transparency, and in general not being an equal partner, have all continued to shape possibilities for the role of CSOs.

A closer look at the state of civil society in Croatia comes from the international comparative CIVICUS project (Bežovan & Zrinščak, 2007a, 2007b;
Bežovan, Zrinščak, & Vugec, 2005; Croatia, 2007). The comparison between the results of the same project in 2001 and 2005 showed important improvements. It can be said that civil society is moderately developed today. It appears to promote positive social values (like democracy, tolerance, and gender equality), and the overall social environment crucial for its development has been considerably improved since the 1990s. Still, there are many critical points. Citizen participation is low, distrust is high, and civil society is mainly an urban phenomenon, as there are only a few organizations that work in, and can have an impact on, rural areas. The social impact of CSOs is the most crucial issue. They address important social issues and are an important resource for different marginalized groups, but they are still not perceived as an equal social partner to the state, and the government still does not create (or does not wish to create) effective mechanisms for consultancy with CSOs.

**METHODOLOGY**

We began the study with a review of extant models of organizational leadership in both the private and nonprofit sectors, giving the models descriptive titles according to their most prominent claim. Literature reviewed included discussions of transactional leadership, transformational leadership, and situational leadership theory, among other models (see Appendix 1 for bibliography). Based on this, we developed a typology of leadership styles incorporating two dimensions: technical vs. relational cognitive style, and internal vs. external environmental orientation. The cells produced by the intersection of these dimensions represent, of course, ideal types, and most leaders will combine some elements of each approach even as they are oriented toward one more than others. Moreover, different leadership approaches may be appropriate to different types of organizations, attributes of followers, and stages of organizational development; evaluating views of the models thus reveals perspectives on organizational objectives, membership, environments, and growth, as well as on leadership itself.

The first dimension, technical vs. relational style, represents a long-standing distinction typifying the stance of organizational leaders, a difference that makes a difference in many organizational matters. (Schmid 2006, 2008; cf. Hershey & Blanchard, 1982; Quinn & Cameron, 1983) Technically oriented leaders focus on achieving organizational goals through managerial mechanisms such as planning, coordination, implementation, and budgeting. The structure of leadership at this end of the continuum is rule-based and centralized, with little to no delegation of authority or ambiguity. Workers’ attributes and needs receive little attention in this ideal type. In contrast, leaders with a relational orientation focus predominantly on motivation, incentives, communication, training, and developing trust and a sense of mutual involvement with their followers. Authority is delegated and decision making
is more participatory, while the development and fulfillment of followers become goals in themselves. Relational styles work more with and through internal and external stakeholders to achieve the organizational mission.

Examining the extent of leaders’ internal vs. external orientation has been of interest since the earliest “open systems” theories (Heimovics & Herman, 1990, Herman & Heimovics, 1991; cf. Quinn & Cameron 1983; Schmid, 2006, 2008). Internal refers to a focus within the organization, whether on goal accomplishment or human resource development. An external orientation assesses the different environments and stakeholders affecting, or potentially affecting, the organization, as well as the possibilities for change. For this study, this dimension acknowledges that NPS executive directors, as leaders, would have to be externally oriented to identify stakeholders and recognize opportunities and threats to their organization and their position (Bryson, 1986; Bryson, Freeman & Roering, 1995), command resources (Dowling & Pfeffer, 1975), and clarify the mission of their organization (Mitroff, 1983; Heimovics & Herman, 1990; Herman & Heimovics, 1991). At the same time, a focus on internal operations and functions should remain critical given the still-early stage of NPO development as well as restraints on resources and opportunities in external environments (Schmid, 2006).

Beginning with this typology, NPS scholars in Croatia were asked to describe the approach within each cell that most closely defines the present situation of NPS leadership. Based on their responses, scenarios typifying models of NPO leadership were developed corresponding to the descriptive content of the cells in Table 1 (see Appendix 2 for scenario descriptions). This process clarified certain assumptions built into these models that do not have counterparts in nonprofit sectors that have evolved in historically quite different political and social conditions.

The term stakeholder is virtually unknown within the Croatian NPS and has only a recent linguistically constructed counterpart. The term more commonly used to denote parties whose interests are important to NPS

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**TABLE 1 Leadership Styles and Orientations**

<table>
<thead>
<tr>
<th>Cognitive style</th>
<th>Internal Focus</th>
<th>External Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technical</strong></td>
<td>hierarchical, authoritarian, bureaucratic, efficiency, problem-solve, goal/task-oriented</td>
<td>strategic, entrepreneurial, stakeholder mgmt</td>
</tr>
<tr>
<td><strong>Relational</strong></td>
<td>Coach, motivational</td>
<td>Visionary, change agent, servant</td>
</tr>
</tbody>
</table>

In addition to traits included in each cell, the following attributes apply (drawn from literature on organizational leadership as cited in Appendix 1): Cell I (Internal/Technical), Effective, Innovative, Communicator; Cell II (External/Technical), Entrepreneurial, Grass Roots, Progressive, Stakeholder Management; Cell III (Internal/ Relational), Expressive, Authentic, Values-based, Creative, Engaging; Cell IV (External/Relational), Visionary, Change agent, Catalytic, Servant Leader, Partnering.
leaders is *member*, i.e., a member of the NGO as registered with the state. This implies a more limited relationship, i.e., that the individual’s interest in the outcome of the NPO activities lies with the impact on her- or himself. Given that a full range of civic participation activities does not exist for NPOs in Croatia, it is hard for leaders to conceive of who might be able to influence the development of their organizations, beyond government funders. Thus, although our leadership scenarios clearly imply different stances toward, and relations with, diverse stakeholders, we chose more specific descriptive terminology in asking about NPO leaders’ relationships. These factors also led us to choose NPO board members to represent views of stakeholders among our research participants.

Similarly, the term *leadership* cannot be assumed to have the same connotations in the Croatian context as in the wider literature. In theory, leadership signifies the ability to motivate a person or a group to commit to a shared vision, mobilize to achieve shared objectives, and secure legitimacy, support, and resources from the environment (cf. Schmid, 2006). In the Croatian language, however, terms for leadership all have the connotation of management, with no mention of vision or persuasion. The significance of this is evident in NPS leaders’ remarks about what they liked best in their work: answers centered on working with clients and on working in teams with staff and volunteers, i.e., management activities rather than vision-, strategy-, or change-oriented ones. The scenarios are therefore explicit about the types of activities each leadership approach would involve, rather than assuming that mid-level concepts such as “vision” would have a common meaning for respondents. Final versions of the scenarios were constructed following pretesting with representatives of four NPOs.

The study population included executive directors and board members from 30 NPOs meeting the following criteria: (1) registered with the appropriate authority; (2) local, not international; (3) working in the field of social, health, or mental health services of any kind (e.g., direct service, advocacy, self-help); and (4) having key stakeholders including a board of directors, staff, and volunteers. These conditions were sufficiently stringent that achieving participation by 30, while not a large number, basically exhausted the number meeting the criteria. All NPOs were based in Zagreb, Croatia, though some of them had programs they carried out in different parts of the country. Participants were asked to comment on each scenario in an open-ended, written format.

**FINDINGS**

Responses to Leadership Scenarios

It is important to note that all the scenarios received mixed and divergent responses. Some essentially mirrored the language describing the particular
approach. The majority of respondents offered more definitive reactions, generally noting whether the model currently typifies NPS leadership in Croatia (as well as why, or why not) and/or offering positive or negative evaluations of the model as described, again with comments about the conditions or contexts explaining those evaluations.

**Scenario A: Internal Focus, Technical Style**

The first model identifies a leader internally focused on achieving the NPO’s objectives and goals through effective management techniques. In addition, the model stipulates that the ED must work well with the board of directors and provide it with the information and resources it needs to perform its job.

This model was familiar to and well understood by respondents. About one-third (more commonly EDs than stakeholders) recognized it as applying at present to their organizations and/or to the situation in Croatia, although many noted that the model was “partially present” or contingent on the “constitution” or other aspects of the NGO. Some felt that the model describes the very initial phases of NPS development, where so much depends on the energy of small numbers of strong leaders. Those who saw the model as applicable were not uniformly positive toward it, however, in particular noting that it places too much responsibility on the executive director without the governing board having a significant role. While voiced by both ED and stakeholder respondents, the latter were especially critical of leaders who pay inadequate attention to stakeholders, e.g., “In Croatia, the situation is similar—many leaders work alone, do not consult governing boards.”

Similar critiques of the model were noted by those who either did not like the model or did not see it as applying to the Croatian situation, e.g., “It seems it is too much focused on one person with almost all authority and responsibility.” One person noted the source of the model in “American literature” and felt that “This kind of cooperation with governing boards is not possible and not realistic here . . . more responsibility should be on employees.”

In contrast, some viewed the extent of responsibility placed on the leader as a practical necessity; as one ED put it, “You have to take decisions immediately.” Or, according to one stakeholder, “At the end, a leader is responsible for the work of the organization.” More often there was concern about placing too much emphasis or work on one person in what one ED referred to as a “presidential style” of leadership, especially when this led to the exclusion of the governing board or employees.

**Scenario B: External Focus, Technical Style**

The second model depicts a leader focused outside as well as inside the organization; this leader is charged with identifying and strategically relating
key tasks to stakeholders. Also central for this leader is the preparation of new leadership, so that transitions leave the agency in good hands. Directors and stakeholders were divided as to whether they viewed the model as present or desirable. Only a few acknowledged the model as typifying the NPS in Croatia, and then only under certain conditions, e.g., “That is important for agencies newly founded . . . They should function in that way, and I think they do.”

More commonly, respondents indicated that the model is rare in Croatia, particularly regarding the cultivation of new leadership. This aspect of the scenario commonly drew comment, even though it was only one part of the model. In explaining the absence of the model in Croatia, EDs stressed the problems involved in preparing successors and financial insecurity, while stakeholders voiced criticisms of leaders who do not share knowledge or are not educated enough. Between both groups there were concerns about factors such as finances or the lack of time or programs to prepare new leaders, e.g., “Leaders rarely have a chance to ‘prepare’ successors—a majority take the role of a leader because no one else wants [it],” or, “Because of financial insecurity it is hard to propose/educate a new person who will ‘happily’ agree to run an organization.” Yet others pointed to a reluctance of leaders to share or turn over control, e.g., “As a rule, leaders do not want to share knowledge with others. Only a small circle is included in leadership—users, donors, [and] volunteers are excluded.”

Positive elements of the model that respondents identified include the orientation toward future planning and the involvement of stakeholders, e.g., “very positive here is the involvement of users,” and “I agree with this model. It’s good not to look primarily on [the leader’s] own benefit, but development of that organization, future survival.” At the same time, some voiced concerns that attending to external stakeholders could divert NPO leaders from their missions, e.g., “It reminds me of private enterprises (multinational) focused only on achieving goals. It is useful if a strong advisory board exists which helps in thinking about and realizing goals . . . There is no emotional link here [in this model] with the mission of the organization. [The leader] is (only) a professional.”

**SCENARIO C: INTERNAL FOCUS, RELATIONAL STYLE**

This model describes the NPO leader as a change agent and servant leader focusing on the passion the leader brings to mission and action. The character of this leader is strongly moral and ethical, while also nurturing caring and consistent relationships, carefully trying to draw out the best from employees. The majority of respondents voiced positive views about this model, either acknowledging it as present or seeing it as desirable, even ideal. Some EDs said this is the approach they try to take: “Super, I see myself in that. This is part of me, because only that way is success possible.”
Respondents were attracted to the passion and dedication to mission, the energy such leadership generates, and the values it embodies, e.g., “Picture of the ideal leader . . . In order for someone to be a good leader, one has to be of strong principles, has to know what he/she is doing, be recognized by the people to whom the person is superior, be respected by them . . . [It's the] prerequisite for the other three models.”

At the same time, even those favorable toward this model noted that there needs to be other elements to leadership as well; for example, one interviewee noted, “I think leaders are usually passionately linked to the mission and that is important, but it is not the only thing that’s important because without other leadership styles the organization will not survive. Sometimes it is not enough to only want something very much.” Moreover, whether positive or negative, many noted that this model is not often present in Croatia; one stakeholder, for example, said, “Ideal, please find me that one . . . [that is a] school example of how the leader should look. It has to be pursued, but in reality it is difficult to find that.”

While many found this model ideal, they also acknowledged the difficulty of sustaining it in reality. Cautions about the model cited the danger of burnout for the leader (e.g., “we [need to] have psychological assistance for the people who provide assistance”) and that leaders must not become too ambitious or risk being the only ones doing the organization’s work. Becoming too emotional or passionate, or lacking self-discipline and being subject to the “weakness of human nature” were other identified liabilities of the model. The need for teamwork—“The leader has to be emotionally linked to the mission of the organization, but can solve problems only through cooperation with the rest of the staff”—as well as the preparation of successors were final concerns about this model. Stakeholders, in particular, while seeing this as a good model, also viewed it as an ideal not often found in reality and stressed the need for negotiation and collaboration with others.

**SCENARIO D: EXTERNAL FOCUS, RELATIONAL STYLE**

This model identifies an NGO leader who is able to develop a “network of relationships” to help the organization achieve its goals. Skilled in strategic planning, this leader creates a realistic, shared vision and motivates people to make it a reality. Opinions about the model were divided between those who found it a good, even excellent model, and those who thought it is unrealistic for the Croatian situation. About half of the respondents commented that this model is not present in Croatia. One reason for this concerned the newness of civil society, e.g., “Civil society is still in its infancy . . . Organizations were registered when it was not possible to realize ideas through the state system. This is 20 years ahead of us.” Others cited limits on the NPS at present: “This is utopian because it is impossible to plan 10 years in advance. We survive from year to year . . . In Croatia everything regarding an NPO is unpredictable, insecure, and without planning.”
Respondents saw this more than the other models as contingent on specific conditions, particularly regarding the state—“If the government is stable then it is desirable to have long-term visions, otherwise, stagnation occurs”—and the state of finances: “Leaders have a vision, but a small amount of that will be possible to accomplish—it all depends on the money.”

As to the desirability of the model, opinions were greatly divided. Those who found the model undesirable found too much focus on the director, e.g., “Too big a responsibility for one person, and if that person is not able to realize one segment of the things that are stated . . . the organization cannot function.” Stakeholders tended to be less enthusiastic and to emphasize that leaders should work as a team with others in the NPO. One went so far as to say the model is “totally unacceptable for us and for myself. The leader doesn’t create vision alone” (emphasis in original). Even those who were positive toward the model or saw it as pertinent discussed the need for vision and collaboration in reaching it, e.g., “The leader should have a vision, but it should not be exclusively his/her vision.”

EDs were generally more positive about the model, some saying it is “excellent,” a word never used by stakeholders. Those EDs who were positive came from advocacy-oriented NPOs in fields related to human rights. These leaders are the ones who are most visible in public and tend to be very strong leaders experienced in talking about needed change. At the same time, stakeholders who were negative toward the model also came mostly from advocacy-oriented fields; only one stakeholder from a service-provider NGO was clearly negative. Advocacy-oriented NGO stakeholders appeared to be questioning the role of the leader as depicted, e.g., “Here the role of the ‘strong and powerful’ leader has been described, who has a strong vision . . . The question is whether other people from the NGO would be able to follow.”

Notwithstanding differences between the two groups, there were not divergent views between EDs and stakeholders coming from the same NPOs. Either both saw the model as positive, or both questioned its applicability to the Croatian situation or in other ways were negative about it. Moreover, while acknowledging the difficulties of developing vision when an NGO’s very survival is at stake, both EDs and stakeholders acknowledged the need for vision described in this model. Their differences derived from views about the realism of the model for the situation in Croatia, and from desires for sharing the vision and the leadership that follows.

Views of the Future of NPS Leadership

Following their assessments of the four scenarios, respondents were asked to choose the scenarios best describing how NP leadership should be 10 years in the future and to describe in an open-ended way how such leadership should be developed. In choosing among scenarios, most participants selected only one. The modal choices were models B (external focus,
technical style) and D (external focus, relational style). Very few picked A (internal, technical) and about one-sixth chose scenario C (internal, relational). The majority of EDs selected model B, and they were more likely than stakeholders to choose this model. Stakeholders, on the other hand, picked D more than other models and more than EDs.

EDs and stakeholders from the same organizations chose the same scenario only about one-third of the time, with six pairs selecting “D” (external/relational), three selecting “B” (external/technical), and one pair listing both A (internal/technical) and C (internal/relational). Where the two picked different models, EDs preferred model B, with its more technical style, and stakeholders preferred model D, which is more “relational.”

In response to open-ended questions about the type of NP leadership needed for the future and how it would develop, EDs and stakeholders voiced similar themes regarding desires for greater professionalism and expectations of improvement on both technical and relational dimensions. Both EDs and stakeholders expect future NPS leaders to have developed a higher degree of professionalism, i.e., a “higher level of development of organizational skills,” as one ED put it, or, “A good professional who knows skills of communicating with people within and outside organization. Fundraising knowledge. Knowledge about management . . . ” As several individuals noted, to get and retain such leadership requires full-time NPS employment.

Several respondents portrayed a combination of technical and relational abilities as essential to future NPS leaders. According to one stakeholder, “It has to be an expert leadership with the coordinating abilities and lots of energy and persistency for the realization of the mission . . . to have a vision of the future development and abilities of realistic planning and implementation of development in accordance with needs.” When describing relational elements, respondents tended to link them back to the achievement of organizational goals, e.g., “NGO leadership should . . . take care of objectives and people who work, and provide more in terms of personal and professional development of employees, because if that is done each employee will invest more in [their] work in terms of enthusiasm and satisfaction.” Rarely did more advocacy-related goals come into the picture.

Respondents were also clear in their wish that future models of leadership develop from within Croatia’s NPS, building on the experience of its “pioneers.” One stakeholder explained, “I think that we have to develop a model ourselves because we have our own specific qualities, and not copy models from the others. But to experience [what] others have is important, and we should modify it and adapt it to our situation.” An ED was more explicit: “We should not, as was the case in the ’90s, limit ourselves to American models. We should take foreign experience as a basis, but we should adapt it to our own needs. We need to develop our own model of management of organizations.”
Last, acknowledging that, as one stakeholder put it, “nothing can happen without the government,” respondents described good connections and cooperation with state and local authorities as critical for future NPS leaders. The hope that these relations be cooperative reflects both a desire for a greater role for the NPS (“Leadership that will be in partnership relations to the government institutions”) and an acknowledgment that “objectives need to be realistic and not megalomaniac, and they have to be in accordance with and with communication with the government sector.”

In short, the leadership envisioned for the future is a more skilled and polished version of what is seen as existing at present. Only one respondent, a stakeholder, described the possibility of an alternative approach to NPS leadership, implying what does not exist at present, as well as pressures toward status quo maintenance:

It seems that leadership models prevail which are similar to ones in the ‘profit sector’ and which are not characterized by the desire to question new leadership styles, different sources of power . . . Still, there are breakthroughs beyond that, [like the] training and practice of co-leading, inspired by the vision of development, change, with innovativeness and mobility in the organizational sense. This last type will . . . come from a group of new, self-aware critical (young) people/social groups who will receive support for the achievement of the vision, passion, and political nature of their activities/mission, above everything else.

**CROATIAN NPS LEADERSHIP: PRESENT, FUTURE, AND CONCEPTUAL PERSPECTIVES**

The findings presented here reveal perceptions of the present state of NPS leadership in Croatia, as well as hopes and expectations regarding its future development. At the same time, it is important to acknowledge that responses represent interpretations of descriptions of particular models of leadership. In this regard, the issue becomes one of the meaning and validity of leadership models to Croatian leaders and stakeholders: How do they understand such models, and what additional issues should be included to incorporate their understandings?

Regarding the current state of NP leadership, Croatian leaders and stakeholders recognized the internally focused/technical model as the most familiar and most descriptive of the present situation. While criticizing many aspects of this model, both directors and stakeholders feel that this approach is necessary in the initial phase of NPS development, the one that they still consider themselves to be in and one deemed necessary for survival. Still, both leaders and stakeholders hoped for the day when a different focus would be possible; they felt that, while the other three models were “ideal
types,” each one, especially the internal-focus/relational model, had some features that should be found in leadership practice.

These views echo models of organizational life cycles and force the question of how the nature of nonprofit leadership in Croatia might be a function of the stage of development of the sector. The literature on the life cycle of human services has for some time identified a sequence of stages through which organizations tend to develop (albeit not inevitably)—each of which has different forms and requirements of leadership (Cameron & Whetton, 1983; Quinn & Cameron, 1983; Hasenfeld & Schmid, 1989, Bailey & Grochau, 1993; Dart et al., 1996; McClusky, 2002; Schmid, 2008). In the entrepreneurial stage, that of formation and niche identification, management is personal and relatively informal, though the (typically charismatic) leader controls decision making. As others become committed to the organization’s mission, a collectivity stage requires more participatory management, team building, and strategies for maintaining cohesion. Beyond this point, management becomes more professional and routinized as the organization achieves more of an institutional status and more stable relations, in areas such as fund acquisition, with its environment. Leadership becomes transactional, exchanging rewards for specified role accomplishments. Throughout these first stages, the roles of executives and of boards change, needing to adapt to changing circumstances; the essential qualities of an organization’s effectiveness similarly vary depending on its stage.

The majority of our respondents’ organizations are relatively new, dating to the time since Croatia’s independence, with five of the 30 having originated earlier (from 1947 to 1977). Age per se does not represent stage of development, however; resource insecurities may force organizations to revert to strategies and structures from an earlier period of development (Kimberly, 1980; Bailey & Grochau, 1993). Even the oldest of the NGOs included here were operating under new mandates and environmental conditions, having been transformed from public- or quasi-public services into NGOs facing the same opportunities and challenges as those newly minted. At the same time, registration requirements compressed the development of newer organizations by mandating a formal structure and set of operational procedures (Dill & Coury, 2008); hence, it is not surprising that we found no thematic differences in the responses of representatives from organizations that had been part of the old regime, those formed during the ’90s, and those established since 2000.

At the same time, our findings do reflect issues common to dynamics and transitions among nonprofit service organizations. First, in order to survive, nonprofits must develop distinctive areas of competence as well as broad support for their missions; thus, leaders may need to balance an internal and external, as well as task- and relational-oriented, focus regardless of their stage (Alexander, 2000). Our respondent’s diffuse, and mixed, support across all four models of leadership may reflect the dilemmas that result.
from this balancing act. Similarly, transitions from earlier to more established stages are problematic for leaders in having to shift from more personal to more professional and transactional ties to staff and boards, creating more participatory management when they still feel primary responsibility for the organization’s mission (Bess, 1998; Hasenfeld & Schmid, 1989; Schmid, 2008). The frequent calls for more professionalization of NGO leadership and stakeholder wishes for greater sharing and coordination of responsibilities with executives, regardless of the model being reviewed, appear to reflect these types of effects. These responses also suggest that Croatian NGOs, regardless of age, aspire to a more institutional, routinized stage but are hampered in doing so by a lack of stability in their environment and particularly in funding relations with the state.

Which scenario should prevail 10 years from now, according to respondents? Executive directors more often selected the externally focused/technical model as the type of leadership that could develop in Croatia, while the stakeholders opted for an internally focused/relational model. The divergence results not so much from disagreement as from the differential perceptions attached to their respective roles, with directors being concerned about the technicalities of organizational survival, while stakeholders want to be consulted, reflecting a more relational orientation. Both groups desire and expect NPS leadership to develop greater professionalism and to exert greater direction over the future of the sector, creatively combining domestic experience with applicable models and approaches of external origin. These possibilities are limited, however, in the present climate of limited resources and the underdevelopment of civil society. Moreover, we suggest that in regard to the NPS, an “open system,” defined by Heimovics and Herman (1990, p. 25) as “organizations dependent for their survival on a host of institutions and organizations in the environment,” hardly exists at all in Croatia, where NPOs depend almost completely on government sanction and funding. Similar findings have emerged from other post-communist settings (e.g., Flanigan, 2007; Osborne & Kaposvari, 1998).

On one level, because of the socialist history, the nature of relations between these states and citizens are “qualitatively different” from those found in Western democracies, arguably in ways that inhibit the willingness of citizens to become involved in civil society efforts (Howard, 2003, p. 150). As concluded by Celichowski (2008, p. 157), “While the emphasis on particular issues may differ from country to country, the overall set of problems remains similar. The general theme is a recognition of a distinctly weak bond of civil society with society at large, as well as problematic and limited relationship with the state and the private sector.”

It would be too simplistic, however, to interpret this situation as entirely a legacy of state socialism combined with low civic participation and incomplete democratic development, although those factors undoubtedly play a role. Post-socialist settings have not represented civil society vacuum,
let alone ones that can be filled by models from the West (see Kulmala 2010, 2011; Pospíšil, 2009; Wedel, 1995, 1996b,). Moreover, the provision of Western relief during the war of independence actually deterred domestic NPS development in some ways, such as its hyperinflation of professional wages and use of “paid” volunteers (Coury & Despot Lucanin, 1996). The subsequent atmosphere of state building and nationalism further discouraged the deployment (and arguably quality) of foreign expertise found in other transitional settings (Stubbs & Zrinščak, 2009). These contextual elements must be regarded as central contributors to the present picture of the NPS environment, although their relative contribution has yet to be assessed.

While responses to the scenarios can be taken at face level, it is also important to appreciate how respondents interpreted the meanings, values, and assumptions embedded in the different approaches. To begin with, several respondents complained that the scenarios sounded “too American.” While their comments did not elaborate, other reactions indicated that leadership in some of the models was considered too individualistic, too short-term oriented, and too ready to move in the face of uncertainty, all dimensions on which American managers score highly (Hofstede, 1993).

This reading of leadership models may echo the disillusion and skepticism Wedel (1995, 1996a) depicts as following the initial euphoria and unrealistic expectations toward Western aid in the Visegrad transitional settings. She critiques the reciprocal expectation by the United States that NGOs would be “important . . . building blocks of civil society” (1996, p. 152), noting, “This interpretation . . . assumes that the emerging NGOs are similar to their Western counterparts, despite the very different conditions under which they have developed and operate. NGOs can play productive roles, but the reality is that they may not be designed to be the building blocks of democracy that donors often envision” (Wedel, 1995, p. 323). Moreover, the dependence of Croatian NPOs on the state comes into direct conflict with Western expectations that aid should be “structured to bypass government bureaucracies and work directly with the private sector,” even ignoring “relevant governmental bodies” (Wedel, 1996a, p. 152). Our respondents’ comments may thus reflect reactions against contexts and assumptions surrounding external support of NPS development.

For all scenarios, respondents either ignored or responded critically to descriptions of tasks involving educating the public, advocating for clients, or trying to change the system. Prior research on NPOs in Croatia confirms that advocacy activities are not particularly popular (Coury, Bežovan & Despot Lučanin, 1998), while other work argues that the NPS in transitional settings may be better served by good relations with the state than contestation or confrontation (Holland, 2008; Strochein, 2002). At the same time, relations between civil society organizations and the state in post-socialist settings take several forms, depending on factors such as the level of state involved (i.e., regional or municipal relations may differ from the national level and each
other) as well as the extent to which there are shared understandings of
means and ends (Rymzińska & Zimmer, 2004; Škarabelová, 2002). This further
suggests the uncertainties that our participants seemed to feel regarding the
external environment.

IMPLICATIONS AND CONCLUSIONS

As NP sectors continue to evolve in post-communist and Third World coun-
tries, researchers who are concerned with theory building have a chance to
test and improve conceptual frameworks and models in settings quite dif-
ferent from those in which extant models have evolved. In this research,
we have presented a view of NPS leadership from the perspectives of both
stakeholders and executives in a setting where NPOs are relatively new and
newly negotiating their civic voice. Through this we have contextualized the
meaning of leadership, accounting for links between cognitive responses to
leadership models and the material conditions in which such models become
more or less salient or even plausible.

One of the most common laments of both executives and stakeholders
in our study concerned the lack of preparation and education of NPS leaders,
both to improve the present functioning of NPOs and to ensure leader-
ship succession. Typical of leaders of movements addressing “new” social
problems, successful NPO leaders to date have tended to be charismatic
individuals able to formulate and communicate a vision (Coury & Štambuk,
2002; Dill & Fink, 2002; see review in McAdam & Snow, 1997). They neither
require nor necessarily acquire the skills needed to ensure long-term NPO
management and survival. Initially the reputation and legitimacy of NPOs
hinged almost entirely on those of their leaders; with succession of leader-
ship and the routinization of management, NPOs will depend more on their
ability to demonstrate appropriate and accepted procedures of governance
and accountability.

In societies such as the study site, training in third sector leadership
issues, such as organizational and financial management, needs to be part of
a package of improvements that combine trust building, civil society capac-
ity building, and other “big-picture” issues regarding public decision making
about the NPS role (Davidkov et al., 2000). This development has been hin-
dered by a general lack of awareness of the interrelation between civil society
and the third sector, and made worse by attempts to transplant Western
models of NGO operation that do not take contextual or cultural issues into
account (e.g., Mertus, 2001). Davidkov et al. (2000) recommend, and our
findings lead us to concur, that courses are needed that are interdisciplinary;
address the legal, political, and social contexts of sector development;
promote civic education and civic mindedness; and explicate the potential
of the third sector to be active in capacity building for civic engagement.
Our research highlights the importance of post-communist legacies, paradigms of Western aid, new modes of democratization, and situations of fiscal and political crisis. It is not possible as yet to assess the relative contribution of these and other factors to NPS evolution, however. For both NPS theory and practice to advance, model building and leadership development must be built on further comparative assessment.

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NOTES


2. See, for example, Herman and Associates, 2005. The only comparative material comes from one chapter on “The Internationalization of the Nonprofit Sector” by Anheier and Themudo, and even here the models of leadership described are derived from Western literature. The international research project GLOBE has been identifying how culture matters to the evaluation and expectations of leader attitudes and behaviors (House, Javidan, Hanges & Dorfman, 2002). However, its focus on CEOs and middle managers of industrial organizations limits its applicability to the assessment of nonprofit leadership; moreover, it includes only those post-communist settings with the highest development of market economies.

3. Health, mental health, and social service NPOs represent a new sector of response to social needs; examining their views of leadership is thus critical to understanding the evolution of their role, mission, and relationships to other sectors.

4. All quotations are translated from written responses or oral transcriptions of interviews in Croatian.

REFERENCES


APPENDIX 1: MODELS OF LEADERSHIP CONSULTED

Works cited are illustrative; descriptive titles added by the authors.

ENTREPRENEURIAL LEADERSHIP

*Chief executive as the center of leadership.*


GRASSROOTS LEADERSHIP

*Built on the entrepreneurial and catalytic models with the expressed intent of building civil society in the age of globalization.*


EFFECTIVE LEADERSHIP

*Built on the entrepreneurial model but extended to include the chief executive’s responsibility for board development and performance (see also Herman & Heimovics, 1990).*


INNOVATIVE LEADERSHIP

*Built on the effective leadership model but takes a team not individual approach. Based on group theory, this framework emphasizes “forward-thinking.”*


VISIONARY LEADERSHIP

*The personal side of leadership.*

CHANGE AGENT LEADERSHIP
Built on the visionary model with emphasis on successful change efforts.


CATALYTIC LEADERSHIP
Built on the change agent model.


EXEMPLARY LEADERSHIP
Built on the change agent model.


PROGRESSIVE LEADERSHIP
Built primarily on entrepreneurial, change agent, and stakeholder management models with some aspects of all the other models, emphasizing strategic planning for moving the organization in the right direction.


EXPRESSIVE DIMENSION LEADERSHIP
Built on the progressive leadership model with additional stress on “the greater good.”


STAKEHOLDER MANAGEMENT LEADERSHIP
A partial theory of leadership based on problem management, like the “politician” role in the progressive leadership model.


AUTHENTIC LEADERSHIP
Leadership is about authenticity, not style.


SERVANT LEADERSHIP
Service to others is the leader’s primary purpose.


VALUES-BASED LEADERSHIP
Because a high level of social anomie exists today, organizations in America need norms and values that employees can embrace and embody. Leaders should employ techniques that develop a shared leadership construct.


FUSION LEADERSHIP
Based on a set of assumptions about “unlocking subtle forces” within employees (untapped resources such as creativity, courage, desire for meaningful work) that impact change initiatives positively.


CREATIVE LEADERSHIP
The leader’s primary job is to help people in the organization create shared understanding and help people invest their work with sense and meaning.


TEACHABLE LEADERSHIP
Leaders must teach and do it in an interactive way so that everyone gets smarter and more aligned.

DYNAMIC LEADERSHIP

*Leaders have specific traits that, when aligned with the organization that values such attributes, make it possible to be successful in internal and external alliances (networks) that contribute to the organization’s success.*


PARTNERING LEADERSHIP

*Individual-as-leader has its limitations. Expertise and leadership must be widely shared. Ownership, authority, and accountability must be felt at every level, by every person.*


COMMUNICATOR LEADERSHIP

*Leaders employ a goal-driven communication strategy to build loyalty, focus effort, and spark creativity.*


ENGAGING LEADERSHIP

*Leaders engage the talent of their team to perform to its maximum capacity for success.*


APPENDIX 2: LEADERSHIP MODEL SCENARIOS

Scenario A: Internal Focus, Technical Style

The executive director is responsible for leadership to achieve the organization’s goals and objectives through proper management of staff and volunteers. That is, the leader makes sure that the staff has the resources that they need, including proper training and incentives, to help the agency meet its goals. The leader is responsible for the day-to-day workings of the agency and is the one most accountable for the organization’s successes and failures. However, the most important feature of this model is that the
chief executive is also responsible for development and performance of the board of directors because leadership tasks of resource acquisition and management are improved when executives and board members work together. Executive directors, as leaders, take responsibility for facilitating interaction with board members, providing the board with decision-making information and promoting and reinforcing board accomplishments.

Scenario B: External Focus, Technical Style

This model also emphasizes key relationships but looks outside the agency as well as inside to the staff and board. Leaders play different roles depending on whether they are trying to build the organization, strengthen relationships between the agency and its stakeholders, or just meet the agency’s mission in terms of the common good of the whole society. Stakeholders are all people, staff, board, clients, volunteers, donors, funders, etc., who have an interest or concern in what the agency does. The leader plays strategically but the most emphasis is on assessment of who all the stakeholders are, what they want from the agency, and whether the agency will benefit or be harmed by trying to meet their expectations. Some stakeholders are more important than others in terms of getting resources for the agency, and the leader needs to have the skills to figure this out and the flexibility to develop the best compromise for everyone involved inside and outside the agency. The leader in this model prepares new leaders to take over in the future and hands the agency over in good condition when the time comes to leave.

Scenario C: Internal Focus, Relational Style

This model has to do with character. The leader is an individual who is passionate about the organization’s mission and cares a great deal about how it is carried out. That is, the leader has a strong sense of right and wrong, strong morals and ethics, and creates caring relationships with employees that help them to be the best that they can be. This leader has self-discipline, is not egoistic or overly emotional, and is consistent and predictable.

Scenario D: External Focus, Relational Style

This perspective is that change is inherent in the context of all managerial work—nonprofit management included. To effectively respond to these challenges, the NPO must have a leader who can “create vision.” This vision must be realistic, not utopian. The leader also has to have an “agenda for action.” The leader will probably be skilled in strategic planning and also skilled in forming a “network of relationships.” This means they are skilled
at involving people both inside and outside the organization in helping the agency to meet goals that have been developed in the action plan. To do all of these things, a certain kind of individual is needed, one who can act as a catalyst (agitator, motivator), and this is not only desirable but *required* in this leadership model.