

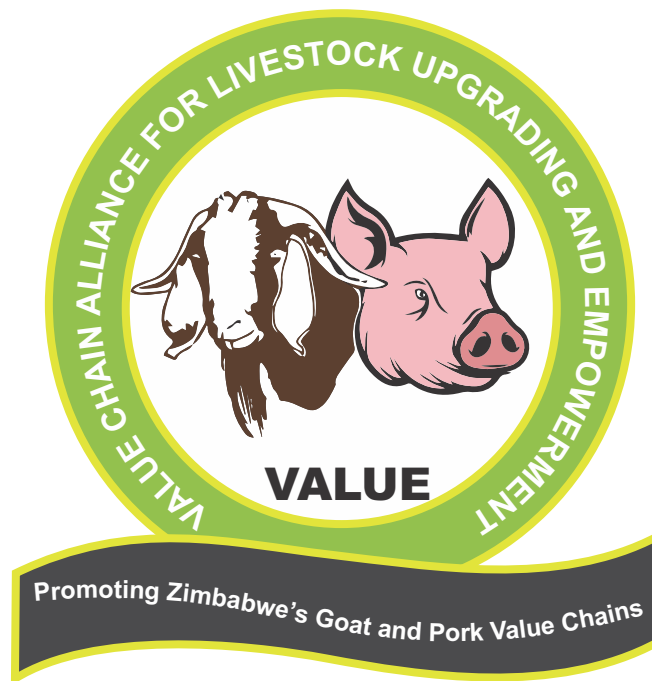


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Training Manual On Leadership, Governance and Democracy



**Value Chain Alliance for Livestock
Upgrading and Empowerment**



Training Manual On Leadership, Governance and Democracy

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1 INTRODUCTION

The Manual is intended to serve as a guide for the trainers so that they could provide the necessary and relevant training methodologies and techniques to enable the value chain members in the goat and pork value chains to understand how to lead and govern their enterprises. The Pork and Goat Value Chain small holder farmer led structures need technical support to improve on transparency, accountability, professionalism, and proper leadership. This module is a training tool for developing the capacities of enterprises in practices of good leadership and corporate governance. The target group is the small to medium farmers (including young and women farmers), lead farmers (anchor, champion), farmer groups, Business Management Unit (BMU), syndicate or cooperatives and integrators, who will be trained in this program to enhance their skills at individual and organizational levels in pursuit of nurturing leadership and governance in these enterprises to impact on service delivery. The leaders are expected to utilize the skills in their respective activities in the Goat and Pig Value Chains. Improved leadership and corporate governance will contribute to the overall growth and development of goat and pork value chains in the country.

2 INFORMATION AND INSTRUCTIONS TO THE TRAINER

This manual should be used purely as a facilitator's guide. The sessions under each module are presented with an objective(s) to facilitate the assessment of participants' understanding and depth of knowledge at the end of each session. Following the objective(s) are the topics to be covered and facilitating methodology. However, the facilitator should feel free to adopt the methodology suggested to the needs of participants. To enhance a participatory learning process, some methods of presentation and the steps to follow are therefore outlined. The manual also provides some background information on each session. The information is also meant to aid the facilitator in the preparation for the session. Like all participatory methods, the involvement of the participants in all stages of the learning process is vital. However, all users of this manual must study and research into the content of each module before the presentation. Start each sub-topic and group activity by explaining the objective and learning outcomes expected of them, and ensure they are met. Though contents for each sub-topic are provided, lead the participants into giving their points, copy them in the flip chart/whiteboard/chalkboard, some of their points will or may coincide with the contents in this module, and then mention to them the items of sub-topics contents that were not pointed out by them.

The session should be interactive, participatory, lively, and interesting. Let the participants express themselves in vernacular language for them to understand the concepts. Encourage them to ask questions especially on concepts that they do not understand. Switch to either English or vernacular language when you find some or all of them do not understand you in one of the languages.

Start the session with greetings, welcoming remarks, and introduce yourself. Ensure you have the necessary stationeries for the trainees and equipment and materials: projector, flip charts or whiteboard, whiteboard markers, marking pens, and handouts. Be time conscious as you facilitate the session

The two topics in this manual are Leadership and Governance & Democracy, in Parts One and Two respectively.

3 USERS OF THE MANUAL

This manual is intended to be used by facilitators at various levels of the goat and pork value chain in Zimbabwe.

4 PRESENTATION METHODOLOGY

The methods of presentation outlined in the manual are suggested as a guide to the facilitator. The facilitator is expected to use his or her judgement in selecting the appropriate method or combination of methods in presenting each session.

5 ASSESSMENT

At each training workshop, the facilitator is expected to assess/evaluate the participants' understanding and level of knowledge by using a simple pre and post questionnaire as appropriate. In some of the sessions, assessment questions are suggested whilst in some; the facilitator is given a free hand in determining the kind of questions to be asked. However, all assessments must relate to the session.

6 PART ONE: LEADERSHIP

6.1 INTRODUCTION

Participants will learn about the different types of leaders, leadership styles and their characteristics, the characteristics and effects of good and bad leadership, impediments to good leadership and solutions to address the impediments. The module is divided into 3 sessions as follows:

Session 1: Definition of leadership, characteristics and effects of good and bad leadership

Session 2: Leadership types/styles, characteristics, effective leadership and its characteristics

Session 3: Barriers to good leadership & solutions to address the barriers, key leadership challenges

Session 4: Conflict Management and Resolution

Overall Objective: By the end of the sessions, participants will be able to describe and explain the characteristics of different types and styles of leadership, the characteristics and effects of good and bad leadership, effective leadership, barriers to good leadership and solutions to the problems and challenges to modern-day leadership and how these relate to goat and pork value chains.

6.2 Session 1: Definition of leadership, characteristics and effects of good and bad leadership

Specific Objective: By the end of the session, participants will be able to explain and describe the characteristics and effects of good and bad leadership.

Presentation Time:

Materials: Flip Charts, whiteboard, projector, markers

Methods: Brainstorming, Discussion, Question and Answer, Group Work

- STEP 1:** Brainstorm on the characteristics of good and bad leadership and give necessary information to augment the responses.
- STEP 2:** Discuss the benefits of good and bad leadership and relate to the pork and goat value chain context.
- STEP 3:** Divide the participants into groups to discuss the effects of good and bad leadership in the goat and pork value chains.
- STEP 4:** Get the groups to share their discussion points and lead the members to underscore the main leadership characteristics.
- STEP 5:** Discuss the relevance and importance of leadership characteristics and effective leadership to their situations.
- STEP 6:** Help the participants to link between leadership characteristics and enterprise success

Leadership refers to the ability to influence or organize or direct the affairs of a group to attain the aims of the group. The term “Leadership” in goat and pig value chains refers to the Board, Executive Committee (Chairpersons, Secretary-General, Treasurer and the deputies), lead farmers, leaders of farmer groups, BMU, cooperatives and integrators.

6.2.1 Leadership Characteristics (Good or Bad)

6.2.1.1 Some Characteristics of Good Leadership

- Being committed to the group and honest to other farmers
- Being accountable and transparent so that other farmers have confidence in the leaders
- Being objective and impartial in decision making
- Demonstrating respect and responsiveness to fellow leaders, other farmers and stakeholders.
- Recognizing and protecting the rights of every farmer and those who they deal with in their various pig and goat value chains
- Being open, accessible, available, and tolerant.
- Being fair while handling disputes
- Performs better and mentor other farmers
- Knowledgeable in goat and pig value chain issues
- High sow and doe unit

6.2.1.1 Effects of Good Leadership

- Motivated team members, improved results, earning public pride, and confidence, accessing lines of credit

6.2.1.2 Some Characteristics of Bad Leadership

- Being uncommitted and dishonest to the team
- Being non-accountable and non-transparent
- Showing favouritism, nepotism and partiality in decision making
- Spoiling the image of the group by conducting oneself in dishonour and indignity during the value chain activities of the group, as well as in public and private.
- Being disrespectful and non-responsive to fellow leaders, other farmers and stakeholders
- Disregarding and/or denying rights of those serving and dealing with the organization
- Being secretive in team matters, inaccessible, unavailable, intolerant
- Being unfair while handling disputes
- Lack of knowledge in goat and pig value chain issues

6.2.1.2.1 Effects of Bad Leadership

- Low morale and turnover among farmers in the group, declining results, withdrawal of funding e.g., from NGOs.

6.2.2 Effective leadership

There are numerous characteristics required to become an efficient leader:

- **Capability to Provide Moral Support and Integrity:** 21st century and its challenges demand strong leaders, who desire to stand behind their team in tough situations. The modern leadership does not allow the leader to stand behind and move the team, but it requires the leaders to work along with the team physically, and morally.
- **Being Present:** Farmers should be available all the time for customers and employees, but they should make sure that they do not interfere in others' tasks.
- **Exhibit Creative Thinking:** Leadership in goat and pig farming business needs time management and exclusive time to think creatively about the future goals and plans.
- **Extensive Knowledge and Genuine Interest in Business:** 21st century appreciates the openness to gain knowledge. Farmers as leaders must have the desirability to learn the latest skills over time. Great leaders think beyond money at the time of putting efforts to achieve business goals.
- **Managing skills:** Farmers need to possess management skills, which allows making an organized system and exhibits the ability to cater for all the employees and addressing their concerns. They should also have problem-solving and decision-making skills. It is also critical for them to manage their values, empower their teams, be intelligent leaders who can make quick and effective decisions.

- **Effective Communication Skills:** Communication skills are one of the key skills that farmers should have which should promote their knowledge. The clarity in communication and power of negotiation should be demonstrated by their conversations so that their teams can follow them and move in an aligned direction. Farmers also need to display individual attention to employees, intellectual effectiveness, motivate and have power to influence employees and other farmers.

6.3 Session 2: Categories of Leadership

Objective: By the end of the session, participants will be able to describe and explain the different categories of leadership.

Presentation Time:

Materials: Flip Chart, Whiteboard, Projector and Markers

Methods: Discussions, Brainstorming, Question & Answer, Group Work

STEP 1: Brainstorm on the categories/styles of leadership. You can also use the links these leadership styles have with their personal experiences.

Step 2: List all the suggestions and answers (encourage those not talking to talk) and remember there are no wrong answers.

Step 3: In groups let participants discuss their experiences with leaders using different styles

Step 4: Explain the concept of leadership types/styles and how this is related to the goat and pig value chains.

STEP 5: Ask groups to present their discussion points and lead the members to underscore the appropriateness of each leadership style in different situations.

6.3.1 Kinds of Leaders - based on how they become a leader

6.3.1.1 Bureaucratic Leaders

Those farmers who are in position due to their technical or professional competence, qualifications and skills in goat and pig farming. They may rise from lower levels as they acquire more knowledge and experience. They are chosen through appointments, elections, selection, and co-option among other ways.

6.3.1.2 Hereditary Leaders

Farmers who assume office through lineages of their families e.g., in Kingdoms, empires, chiefdoms, in family firms.

6.3.1.3 Charismatic Leaders

Are farmers who assume offices through endearing themselves to their followers by exploiting their exceptional eloquence, communication skills in influencing their followers with beliefs, wisdom and foresight in goat and pig farming business?

6.3.2 Types of Leaders – based on how they exercise power

The following are basically the different leadership practices which are common to small scale farming enterprises:

- **Autocratic leader-** This type of leader centralizes authority and decision-making to himself or herself. There is no participation by the subordinates. They have to do what they are told. The leader takes full authority and assumes full responsibility. This type of leader is usually negative because followers are uninformed, insecure, and afraid of the leaders' authority. Unlike the dictatorial leadership he/she motivates the subordinates by providing their need satisfaction if they do what they are told to do (I will help you members if you obey me.)
- **Democratic leader-**This type of leader decentralizes authority. He invites the subordinates to participate in tackling problems. This happens in such a way that the group and the leader act as a social unit. The leader holds consultations with the subordinates regarding all problems and adopts suggestions made by them if they are of use. It is for this reason that the members of the group have regard for the leader
- **Free reign leader-**This type of leader depends largely upon the group to establish its own goals and work out its own problems. The group members provide their own motivation. The leader is passive, and the initiative is with the subordinates. This type of leader can produce good and quick results if the subordinates are highly educated and brilliant people. They should also have sincere desire to go ahead and perform their roles with responsibility.
- **Dictatorial leader-**In this type of leadership, followers do their work out of fear. They do what they are told. Such a leader threatens the subordinates with penalties and punishment. As a temporary measure such leadership gets results but in the long run it fails. This is because it leads to the dissatisfaction of the followers.

6.3.3 Classification of Leaders – based on attitudes towards change

6.3.3.1 Conservative Leaders

These are farmers who believe in maintaining the status quo, sustaining past or ancient styles of management, structures and governance of public affairs and institutions. They take change as costly, stressful, unsettling, counter-productive and destabilizing.

6.3.3.2 Liberal Leaders

Believe change should be taken slowly and systematically through wide participatory consultations of other farmers to ensure their rights are not violated, nor their development achievements are eroded.

6.3.3.3 Radical Leaders

These are farmers who believe in instant change preferring in dealing with counterproductive repercussions as they unfold. Their means of change do not always exclude violence. These types of farmers formulate changes numerous without considering the consequences of such changes.

6.4 Session 3: Typical leadership barriers and Challenges to modern-day Leadership

Objective: By the end of the session, learners will be able to describe and explain the typical barriers and challenges facing modern-day leadership.

Presentation Time:

Materials: Flip Chart, Projector and Markers

Methods: Discussions, Brainstorming, Question & Answer, Group Work

STEP: 1 Review the previous sessions and brainstorm on the barriers to good leadership and 21st leadership challenges.

STEP 2: List all the suggestions and answers to solve the barriers (encourage those not talking to talk) and remember there are no wrong answers.

STEP 3: In groups let participants discuss the 21st century leadership challenges and how they can be resolved

STEP 4: Ask groups to present their discussion points and lead the members to suggest solutions to leadership barriers, encourage participants to share their own experiences.

6.5 INFORMATION TO THE TRAINER

The table has a list of typical barriers and proposed solutions. The list is not exhaustive. For some barriers, there might be more than one solution.

Table 6 1 Leadership barriers and proposed solutions

Barrier	Proposed solution
1. Leadership wrangles	Strengthen internal conflict solving mechanism Adherence to the constitution
2. Embezzlement of Funds	Strengthen internal controls Deepen financial ethics
3. Weak legal and policy framework	Utilize the latest Act and where its weaknesses are determined, advocate for amendments
4. Tribalism	Practice the provisions of the Constitution, the spirit of unity in diversity
5. Corruption	Practice values of integrity, ethics, transparency, and accountability
6. Bungled elections	Practice credible, free and fair elections, Elections to be conducted by a neutral institution with no vested interests
7. Poor and/or sabotaged relations with internal & external stakeholders	Cultivate and sustain good and balanced relations with stakeholders
8. Undue government interference	Adhering to the set-out mechanism
9. Lack of sound and ethical internal conflict prevention and resolving mechanisms resulting in civil suits.	Form conflict prevention and solving mechanisms

6.5.1.1 Challenges to modern-day Leadership

Farmers must know that they are farming in an environment characterised with business fluctuations, and, therefore, they need to scan the environment in order to keep abreast with developments taking place in the environment. Some of them are mentioned below.

6.5.1.1.1 Modern innovations in Technology

Technological advancements in goat and pig farming are changing the way farming is done and this calls for farmers to acquire some latest equipment and machinery so that they can improve their farming operations. Leaders are expected to have enough knowledge about modern farming technologies e.g. farm machinery, should have modern infrastructure and to be able to utilise electronic business e.g. electronic banking, electronic purchasing of inputs and electronic marketing when they market their produce.

6.5.1.1.2 Application of Latest Knowledge

To be effective, farmers leading others should make serious efforts of acquiring latest knowledge on pig and goat farming through training, reading, attending workshops, engaging veterinary and extension officers and benchmarking with other farmers in other areas or farmers who are in a different line of farming. Without such knowledge, it is difficult to be an effective leader and significant to work with the team.

6.5.1.1.3 Market Competition

The farmers leading others should make accurate decisions in order to provide to the right pigs and goats at the right time, right price, right quality and right quantity. Effective planning, balancing the budget, and cultivating and inculcate a culture of hardworking in team. Market competitions were not considerable to great extent in earlier centuries because of fewer demands and limited organizations.

6.5.1.1.4 Aligning the Team

The leaders are supposed to move the team in one direction. To gain the loyalty of other farmers and build a healthy interpersonal relationship with them is very critical. They are also supposed to bring the attention of all employees towards one mission.

6.5.1.1.5 Collaborative Tasks

It is important for farmers leading others to develop collaborative working relationships among the farmers in their farming community so as to be as productive as possible. Working together as a team of farmers and sharing ideas and resources, help farmers to be more effective and efficient in their farming activities. .

7 PART TWO: CORPORATE GOVERNANCE & DEMOCRACY

Sub-topics

- Definition and Principles of Corporate Governance
- Roles and Relations of the Board, Management and Staff
- Annual General Meetings and Elections
- Documentation for the Board
- Governance Policy and typical governance problems
- Characteristics and conditions for an Effective Board

7.1 Session 1: Definition, Governance & democracy principles and roles and relations of the Board, Management and Staff

Objective: By the end of the session, learners will be able to describe and explain the major principles of governance and democracy as well as the roles and relations of the board, management and staff.

Presentation Time:

Materials: Flip Chart, Projector and Markers

Methods: Discussions, Brainstorming, Question & Answer, Group Work

STEP 1: Brainstorm on the principles of governance and democracy.

STEP 2: In groups let participants discuss the roles and relations of the board, management and staff

STEP 3: Ask groups to present their discussion points and lead the members, motivate participants to share their own experiences.

7.2 INFORMATION TO THE TRAINER

7.2.1 Definition of Corporate Governance

Good governance is a key factor to ensure the growth and sustainability of enterprises. Below are some definitions of governance:

- Governance refers to a system of oversight, the exercise of authority, or control within an enterprise
- Good governance is a transparent decision-making process in which the leadership of an enterprise directs resources and exercises power based on shared values in an effective and accountable manner
- Governance is how an organisation distributes powers, rights, and accountability.
- Corporate Governance is a system of organization's regulations, values and approaches by which the organization is driven and controlled focusing on its structures to monitor the actions of its leadership, management and staff thereby preventing and/or acting on agency risks which may stem from the misdeeds of the organization's leadership, management and staff.

- A process that involves; (a) A system of checks and balances between owners and other stakeholders who set the standard and objectives of accountability of a given institution. (b) Leadership and commitment to ensure fulfilment of the institution's mission and protection of its assets over time. (c) Guidance by the board of directors, the governance is under the direction of the board

7.2.2 Principles of Corporate Governance

7.2.2.1 Openness

- Openness in decision-making and management processes, and the approach of farmers within and outside the goat and pork enterprises.
- Inclusivity to make sure those farmers and others who have an interest in the goat and pork enterprise have the opportunity to engage effectively with decision-making processes and enterprise's actions.

7.2.2.2 Integrity

- Integrity based on principles of honesty, selflessness and objectivity in running the enterprise's affairs and managing financial, human and material resources.

7.2.2.3 Accountability

- Accountability to make sure that the leaders of farmer committees and their fellow colleagues are responsible for decisions and actions, and submit themselves to appropriate internal and external scrutiny (e.g. Audit, Annual/Special /General Meeting, Criminal Investigations, Regulatory Authority etc.)

7.2.2.4 Participation

- Participation by both men and women is a key cornerstone of good governance.
- It is important to point out that representative democracy does not necessarily mean that the concerns of the most vulnerable in society would be taken into consideration in decision making.
- Participation needs to be ensured and organized. This means freedom of association and expression on the one hand and an organized civil society on the other hand.
- Ideally, participation means that individual farmers are involved in decision making and not just informed about decisions already made. Thus, participation creates trust among involved farmers.

7.2.2.5 Rule of law

- Good governance requires fair legal frameworks that are enforced impartially.
- It also requires full protection of human rights, particularly those of minorities.
- Impartial enforcement of laws requires an independent judiciary and an impartial and incorruptible police force.

7.2.2.6 Transparency

- Transparency means that decisions are taken and their enforcement is done in a manner that follows rules and regulations.
- It also means that information is freely available and directly accessible to all farmers concerned.
- It also means that each farmer is provided with enough information via easily understandable forms and media.

7.2.2.7 Responsiveness

- Good governance requires that institutions and processes try to serve all farmers and other stakeholders equally within a reasonable timeframe.

7.2.2.8 Consensus oriented

- There are several actors and as many viewpoints in a given society.
- Good governance requires mediation of the different interests among the farmers in order to reach a broad consensus on what is in the best interest of the whole farming community and how this can be achieved.
- It also requires a broad and long-term perspective on what is needed for sustainable human development and how to achieve the goals of such development.
- This can only result from an understanding of the historical, cultural and social contexts of a given society or community.

7.2.2.9 Effectiveness and efficiency

- Good governance means that processes and institutions produce results that meet the needs of the farmers while it is making the best use of resources at their disposal.
- The concept of efficiency in the context of good governance also covers the sustainable use of natural resources and the protection of the environment.

7.2.3 Roles and Relations of the Board, Management and Staff

The Board, Members, Management and Staff at individual and farming community levels, should be informed and act ethically and in good faith, with due diligence and care, in the best interest and corporate image of the goat and pork enterprises. The Board should enhance service delivery, relationship with partners, and all stakeholders, morale of the staff through attractive terms, conditions and scheme of service, and fulfil the appropriate statutory obligations.

7.2.3.1 Roles

- Review and guide corporate strategy, objective formulation, major plans of action, risk policy, capital plans, and annual budgets.
- Oversee major acquisitions and divestitures.
- Select, compensate, monitor and replace key management officers and oversee succession planning.
- Align key management and board remuneration (pay) with the longer-term interests of the enterprise and its stakeholders.

- Ensure a formal and transparent board member nomination and election process.
- Ensure the integrity of the enterprise’s accounting and financial management, reporting systems, including their independent audit.
- Ensure appropriate systems of internal control are established.
- Oversee the process of disclosure and communications in the spirit of practicing the value of transparency.
- Where committees of the Board are established, their mandate, composition and working procedures should be well-defined and disclosed.

The Management led by the CEO/Executive Director/Secretary-General

- Execution of policies and decisions made by the Board
- Reporting to the Board on the performance of the value chain/enterprise and utilization of resources
- Drafting plans, contracts, expenditure and financial reports for approval by the Board
- Link between the Board and the Staff, Members and some of the external stakeholders
- Organizing Annual and Special General Meetings.
- Recruiting junior staff
- Handling minor procurements
- Holding regular planning and review meetings with staff

7.3 Session 2: Annual general meetings and elections, and documentation used by the board

Objective: By the end of the session, learners will be able to describe and explain how and why annual general meetings and elections are held and the kind of documentation used by the board in carrying out its mandate.

Presentation Time:

Materials: Flip Chart, Projector and Markers

Methods: Discussions, Brainstorming, Question & Answer, Group Work, Presentation

STEP:1 In pairs let participants discuss and present to the class on how they think meetings and elections should be held

STEP 2: List all the suggestions and compare them with your slides and indicate to participants how the points match.

STEP 3: Brainstorm on the documents that are used by the board when they execute their duties and motivate participants to share their own experiences for the benefit of the class

7.4 INFORMATION TO THE TRAINER

7.4.1 Annual General Meeting

It is a gathering held yearly in which members review the performance of their organization and then approve estimates of expenditure and the activities of the coming year in addition to deliberate on other matters that may include holding elections if it’s the due year or by-election to replace vacant post(s) of (a) board member.

Due to emergencies and other compelling circumstances, Organizations hold one or more Special General Meetings during the year to deliberate on Solutions. In some organizations, Annual Delegate Conferences (ADCs) are held attended by representatives from the branches of the organizations.

Purposes and procedures of the ADCs are the same as those of AGMs.

7.4.1.1 The Purposes of the Annual General Meeting

- Adopt and deliberate on the reports by the Chairperson and the Treasurer. The reports are about the performance of the organization.
- Presentation, discussion and adoption of Statement of Accounts/Audit Report of income and expenditure of the previous year
- Adopt and deliberate on Estimates of Expenditure for the coming year
- Appoint auditors for the coming year
- Hold elections or by-elections of the Board
- Deliberate and approve new Constitution (and/or Regulations) or amendments to the Constitution (and/or Regulations)
- The Regulatory Authority address that may be on new regulating laws and policies
- Introducing new staff who have joined the organization during the year

7.4.1.2 Procedures for holding the Annual General Meeting

- Different organizations observe respective procedures in line with their respective constitutions and regulations.
- Notice must be given to the members 14 or 21 days or a month before the date of the Annual General Meeting. The venue, agenda, starting and ending time must be included in the Notice/ Invitation letter.
- Depending on stipulations of the Constitution, the notice must be accompanied by one; some or all the following documents: a) Statement of Accounts/Audit Report (Compulsory in most organizations). Some organizations publish their audit reports in national newspapers depending on their constitutions and/or laws of the country b) Budgetary Estimates of Expenditure for the coming year c) Minutes of the previous meeting d) Programme.

7.4.1.2.1 Sample Agenda of Annual General Meeting

- Reading, Confirmation and Discussion of Minutes of previous Annual General Meeting
- The Chairman's Report
- The Treasurer's Report
- Statements of Account/Audit Report of the previous year
- Budgetary Estimates of Expenditure for the coming year
- Elections (during the election year, alternatively elections may be held during a Special General Meeting)

7.4.2 The purposes of holding Elections

- Fulfilment of the Organization's Constitutional provisions
- To improve performance
- To bring new styles of leadership and corporate governance to cope with changing times and emerging trends
- To rescue and salvage the organization from liable and/or unethical risks and stained corporate image contributed by the Board and/or Management.
- To ensure the organization does not continue to suffer the effects of bad leadership
- Different organizations practice different methods of elections. The secret ballot system is the preferred electoral system as opposed to acclamation, lining up behind candidates and/or agents.
- Elections should not only be free and fair but also should be credible. Petitions against the electoral processes and outcomes in some of the past elections in some sports organizations have often jeopardized respective enterprise development thus affecting performance.

7.4.3 Documentation

The following manuals should be developed for use by the Board, the Management and the Staff as they serve their Organizations.

Leadership manual should, among others, include:

- Vision
- Mission, Foreword,
- History and Objectives of the Organization,
- Roles of Leadership,
- What is expected of the Leadership, Relations of Leadership with Internal and External Stakeholders?

Corporate Governance manual should, among others include:

- Vision
- Mission
- Core values
- Objectives of the Organization
- Strategy of Corporate Governance Developments,
- Service Charter
- Roles of the Board
- Roles of the Management
- Roles of the Staff
- Board and Management Relations
- Internal Procedures and Control Mechanisms in Human Resources,
- Finances, Facilities, Equipment,
- Corporate Social Responsibilities
- Environment Protection

7.5 Session 3: Governance policy, typical governance problems, conditions and characteristics of an effective board

Objective: By the end of the session, participants should be able to describe and explain the governance policy, typical governance problems, conditions and characteristics of an effective board.

Presentation Time:

Materials: Flip Chart, Projector and Markers

Methods: Discussions, Brainstorming, Question & Answer, Group Work, Presentations

STEP 1: Review the previous session and brainstorm on the policy of governance and ensure that participants participate by giving practical examples in the discussion.

STEP 2: Ask each participant to list the governance problems and suggested solutions to the problems and randomly select few participants to present on their points and let the class discuss the points given and add theirs.

STEP 3: Use the question-and-answer technique to present the conditions necessary for an effective board.

7.5.2.4 Term lengths

- There is no standard length of commitment for board members. Some boards choose to limit the time a member can serve on a board, for example, to two three-year terms. If a time threshold is desired, a clear policy should be established.

7.5.2.5 Compensation

- Board members are volunteers and often are not compensated for their services, although they are quite often reimbursed for expenses related to their service. For example, an organisation may give its board members a stipend for all-day events or may reimburse them for travel to and from annual meetings.

7.5.3 What are Typical Governance Problems and How Does the Board Deal with Them?

The two main governance problems are either a weak board or one that is too involved in the day-to-day work of the organisation.

- (a) A weak board will result in an organisation controlled by the staff and volunteers, with no monitoring of progress, performance, or financial management. There is a very real risk of individuals pursuing their ambitions and agendas, rather than focusing on the beneficiaries. The organisation will eventually lose its credibility, and it will be more difficult to secure funding.
- (b) A board that becomes too involved in the day-to-day work of the organisation, trying to control all aspects, will cause conflicts with the professional staff. The result is often an organisation which achieves far less than its potential, and it is the beneficiaries who lose out. This problem typically occurs when organisations are in transition from being run by volunteers to employing staff. Some board members, particularly those who helped found the organisation, may have trouble letting go of control of the day-to-day work.

7.5.1 INFORMATION TO THE TRAINER

7.5.2 What are Board Policies?

The board policies are statements, rules and guidelines developed by the Board and organisational leadership to help reach its long term goals.

The following are some examples of important policies a board should adopt, though the list is not exhaustive:

7.5.2.1 Conflicts of interest

- Conflicts of interest occur when the personal or professional interests of a board member are incompatible with the best interests of the organisation. For example, a board member suggests to the executive director that a family member be hired for a senior management position within the organisation. While this may not be illegal, these types of circumstances must be dealt with carefully as this type of favour granting may be looked at poorly by other candidates for the position and by the community as a whole. The reputation and well-being of the organisation must take priority when conflicts of interest arise.
- Conflict of interest policies typically require that board members disclose all activities and information that could be considered a conflict.

7.5.2.2 Attendance and participation

- Policies should be in place to require board members to attend meetings and board activities. Some boards have policies that remove members from their positions if they are continually absent from meetings. A standard should be developed, agreed upon, and enforced. For example, the policy may state that if a member misses three consecutive meetings, he or she must defend his or her situation to the board and the board must then vote whether or not to dismiss the member.

7.5.2.3 Confidentiality

- Policies should exist to protect sensitive information from being released. Board members have access to important financial, personnel, and strategic information about the organisation. For example, members could be required to sign confidential agreements, barring them from sharing any learnt information with outside parties.

7.5.2.4 Term lengths

- There is no standard length of commitment for board members. Some boards choose to limit the time a member can serve on a board, for example, to two three-year terms. If a time threshold is desired, a clear policy should be established.

7.5.2.5 Compensation

- Board members are volunteers and often are not compensated for their services, although they are quite often reimbursed for expenses related to their service. For example, an organisation may give its board members a stipend for all-day events or may reimburse them for travel to and from annual meetings.

7.5.3 What are Typical Governance Problems and How Does the Board Deal with Them?

The two main governance problems are either a weak board or one that is too involved in the day-to-day work of the organisation.

- (a) A weak board will result in an organisation controlled by the staff and volunteers, with no monitoring of progress, performance, or financial management. There is a very real risk of individuals pursuing their ambitions and agendas, rather than focusing on the beneficiaries. The organisation will eventually lose its credibility, and it will be more difficult to secure funding.
- (b) A board that becomes too involved in the day-to-day work of the organisation, trying to control all aspects, will cause conflicts with the professional staff. The result is often an organisation which achieves far less than its potential, and it is the beneficiaries who lose out. This problem typically occurs when organisations are in transition from being run by volunteers to employing staff. Some board members, particularly those who helped found the organisation, may have trouble letting go of control of the day-to-day work.

7.5.3.1 Possible solutions to governance problems

- 1) The chair of a board that has become weak, or the director of the organisation, could convene a study day or retreat to help the board redefine its role and to help members understand what is expected of them. A team-building workshop, supported by an independent facilitator, could help the board members to work together more effectively.
- 2) If your organisation has been run by volunteers and is beginning to employ staff, discuss and acknowledge the changing role of the board. Board members' roles in monitoring the organisation will change, to allow staff the independence and authority to perform their jobs effectively. Again, a retreat or workshop may be useful.
- 3) Your chair (or president) and the director (or chief executive) should devote time to ensuring that they have a good working relationship, clarifying areas of responsibility and establishing good communications. A good relationship between them is crucial to the effectiveness of an organisation.
- 4) Write job descriptions for board members, as well as staff, which define roles and responsibilities, so that everyone is clear about what is expected of them.
- 5) To help re-establish an ineffective board, prepare induction packs and orientation sessions to re-introduce members to the organisation. Such packs and sessions should also be provided for all new board members.

- 6) Consider using an external consultant to analyse problems with individual board members and staff, if problems within the organisation are deep-rooted and there has been a breakdown in relations with staff. Discuss the consultant's recommendations at a workshop and agree on a way forward.
- 7) Decide how long you want individuals to remain on the board – this should be written into your constitution. Seek new members with specific skills, but plan so that you are not changing more than half the board at one time to ensure continuity in the governance of the organisation. Make sure that all your new board members have an effective induction.

7.5.3.2 Effective Board: Conditions for Effective Governance

7.5.3.2.1 Quality of the board members

One of the key conditions for effective governance is the choice of the board. A good board member needs to appreciate that Microfinance institutions are not for profit and the board has no financial stake. Those selected to the board must have a high motivation to support the social component of the CSO industry especially that of poverty alleviation.

7.5.3.3 Individual directors should have the following characteristics:

- 1) Deep commitment to the institution's mission demonstrated in terms of time and energy investment by the board.
- 2) Skills as leaders, visionary thinkers, and managers
- 3) Technical expertise and experience are relevant to the organization (i.e., financial, legal, and marketing), etc.
- 4) Independent minds that are not beholden to the chairperson or CEO;
- 5) Basic genuine commitment to the activities of the organization;
- 6) Willingness to set aside time for the institution activity.
- 7) Good communication skills
- 8) Good interpersonal skills
- 9) Integrity and trustworthiness
- 10) Objectivity/independent thinking

7.5.3.4 Clearly defined responsibility between management and board

Responsibility between the board and management should be clearly defined. This translates into the fundamental understanding by both board and management that the role of the board is at the strategic rather than the operating level.

7.5.3.5 Well-defined and regularly implemented measures of management (and board)

Performances are needed and should be based on merit and hence shielded from personal or political influence. Strong information systems and communication channels must be in place within the institution to provide relevant and timely information to measure the performance of the institution in areas such as portfolio quality, profitability, human resource management, and programmatic goals. In too many cases, the information provided to boards is biased towards accounting data, which alone is insufficient. A skilful chairperson is needed to run effective meetings by focusing the agenda on big picture issues and policies. The chair also must be able to direct actions and build a consensus by bridging the gap in opinions, which often arises among independent-minded directors.

7.5.4 Characteristics of an Effective Board

Effective boards carry out their responsibilities by:

- Maintaining operational distance from the institution,
- Drawing on the institutional memory of the directors, and
- Making binding decisions as a corporate body.

Board decisions are based on the voice of the majority. Arriving at a consensus may be time-consuming and decrease the board's operating expediency, but the process is essential to a well-functioning board. These three factors empower the board and add significant value to the management of the institution.

7.5.4.1 Key Message

- A Board governs as the highest authority of an organization.
- Acting as a group, the Board leads the organization towards achieving its mission.
- A Board has the responsibility and highest level of accountability for the NGO. In a registered corporation, the Board is legally accountable for the organization.
- Governance and management are distinct and separate functions. The Board and the Executive
- Directors have distinct roles, providing for a sufficient system of checks and balances.
- A Board works in close partnership with the Executive Director to lead the organization effectively.
- A good Board ensures the consistency of your programmes with vision, mission and goals.

7.6 SESSION 4 CONFLICT MANAGEMENT AND RESOLUTION

Objective: By the end of the session, participants will be able to explain the causes of conflicts and how they can be resolved. Participants should also be able to explain methods of avoiding conflicts, and importance of avoiding and managing conflicts

Presentation Time:

Materials: Flip Chart, Whiteboard, Projector and Markers

Methods: Discussions, Brainstorming, Question & Answer, Group Work, Presentations

STEP 1: Brainstorm on factors leading to conflicts in small scale farming groupings. Let participants share their experiences for the benefit of others.

Step 2: Let participants discuss in pairs on the ways to resolve conflicts and present their points to the class. Other participants comment on the presentation.

Step 3: Using a question and answer technique, assess the importance of avoiding and managing conflicts.

7.6.1 Managing conflict

Farmer cooperatives/groups seek to achieve specific objectives while serving all of their members in accordance with cooperative/group principles. The democratic philosophy of cooperatives can be a great strength if effective consensus is achieved among members regarding the proper blend of business objective and co-op philosophy. However, serious conflict can arise when broadly based consensus is not achieved.

7.6.2 Common Issues Causing Conflict

7.6.2.1 Membership Distrust of Leadership

Membership distrust of leadership happens if farmers do not trust their leaders and in some cases they may suspect them of being dishonest in using resources or lack confidence in leadership's ability to lead them in achieving the objectives of the group.

7.6.2.2 Members' Misunderstand Industry Conditions

Leaders often advocate change that is resisted by members. In many cases, the conflict is due to the fact that members understand their own farming operations, but have only a minimal grasp of the competitive pressures of the industry in which their cooperative operates. This issue is exacerbated when the farmers have little or no experience in marketing. Sometimes the marketplace in which the co-op operates demands changes that the members have difficulty grasping.

7.6.2.3 A Clash of Personalities

A clash of personalities occurs when an intense and highly energetic farmer has to work in the same group with a slower and lazy farmer. In this case, the one who is a hard worker becomes irritated by the sloppiness and laziness of the colleague.

7.6.2.4 Personal Value

This becomes a cause of conflict due to diverging ideas or different perceptions of the same situation. The difference in perception results in different people attaching different meaning to stimuli. Resolving value conflict does not mean that the disputants must change or agree on their values, but a mutual acknowledgement that each person views the situation differently is the first step.

7.6.2.5 Limited Resources

In most farmer groups, resources are scarce and limited, which leads to farmers and groups to scramble or compete for their share.

7.6.2.6 Different priorities

If farmers in the same group have different perceptions and hence different priorities, they tend to clash on resource allocation.

7.6.2.7 Unfairness

If some farmers perceive that some members are receiving special attention from leaders at the expense of others, it leads to disagreements.

7.6.2.8 Role Expectations

Role expectations can happen when there is misalignment between the requirements of doing the job and the farmer selected to do the job. The conflict of role expectations occurs when different farmers including the farmer filling the post or the role disagrees on how that role should be performed.

7.6.3 Methods of Conflict resolution

The following are methods that can be used to resolve conflicts

7.6.3.1 Negotiation

The main goal of negotiation with your opposition is to come to an agreement that benefits all parties.

Some other good reasons to negotiate are:

- To understand more about those whose ideas, beliefs, and backgrounds may be different from your own. In order to resolve a conflict, you'll need to look at the conflict from your opponent's point of view and learn more about this person or group's perspective and motivations.
- To ensure that your relationships with opponents continue and grow. If you make peace with your opponents, you increase your own allies in the community. Successful negotiations pave the way for smooth relationships in the future.
- To find peaceful solutions to difficult situations. Full-blown battles use up resources -- time, energy, good reputation, motivation. By negotiating, you avoid wasting these resources, and you may actually make new allies and find new resources!
- Negotiation is the most basic means of settling differences. It is back-and-forth communication between the parties of the conflict with the goal of trying to find a solution.

In case of a cooperative a dispute between member and member, member and cooperative, negotiation can be used to resolve the conflict between them.

The process of negation involves the following activities:

- You may negotiate directly with the other person.
- There are no specific procedures to follow - you can determine your own - but it works best if all parties agree to remain calm and not talk at the same time.
- Negotiation allows you to participate directly in decisions that affect you.
- In the most successful negotiations, the needs of both parties are considered.
- A negotiated agreement can become a contract and be enforceable.

- Negotiation is the first method of choice for problem-solving and trying to reach a mutually acceptable agreement
- If no agreement is reached, you may pursue any of the other options suggested here

The characteristics of negotiation are that:

- Negotiation is voluntary
- It is private and confidential
- It is quick and inexpensive
- Negotiation is informal and unstructured
- Parties control the process, make their own decisions and reach their own agreements (no third party decision maker)
- Negotiated agreements can be enforceable
- Can result in a win-win solution

7.6.3.2 Mediation

- Mediation becomes inevitable if parties in conflicts fail to agree.
- Mediation is a voluntary process in which an impartial person (the mediator) helps with communication and promotes reconciliation between the parties which will allow them to reach a mutually acceptable agreement
- The registrar has a mandate to resolve the business conflicts/ disputes among different parties in the cooperative through mediation

The mediation process is as follows:

- The mediator manages the process and helps facilitate negotiation between the parties.
- A mediator does not make a decision nor force an agreement.
- The parties directly participate and are responsible for negotiating their own settlement or agreement.
- At the beginning of the mediation session, the mediator (Registrar) will describe the process and the ground rules.
- The parties have an opportunity to explain their view of the dispute.
- Mediation helps each side better understand the other's point of view.
- Sometimes the mediator will meet separately with each side.
- Separate "caucusing" can help address emotional and factual issues
- Mediations are generally held in the office of the mediator (Registrar) or other agreed location.

7.6.3.3 Arbitration

- Arbitration as another method of conflict resolution which is opted for when the mediation fails to make the parties reach an agreement
- Arbitration is the submission of a disputed matter to an impartial person (the arbitrator) for decision.
- The Registrar can refer the dispute for settlement to an arbitrator or arbitrators appointed by him.
- The arbitrator controls the process, will listen to both sides and make a decision. The arbitrator will conduct a hearing where all of the parties present evidence through documents, exhibits and testimony.

The Characteristics of Arbitration:

- can be used voluntarily
- Private
- Maybe less formal and structured and less expensive than going to court
- Each party will have the opportunity to present evidence and make arguments
- A decision will be made by the arbitrator which may resolve the dispute and be final

7.6.3.4 Conflict resolution by the Minister

Any person aggrieved by a decision made by the Registrar in settling a dispute or an arbitrator or arbitrators appointed by Registrar may appeal to the Minister and the Minister may confirm, vary or set aside the decision appealed against or make such other order in the matter as s/he thinks appropriate.

7.6.4 Avoiding Conflicts

- Never leave any problem unattended as a small problem which can eventually become a major reason to worry later on
- Transparency must be maintained at all levels
- Communicating clearly
- Leaders must be fair to everyone
- Uphold cooperative principles of equity, equality, solidarity and self-help
- Accepting opinions of other members

7.6.5 Importance of management of conflicts

- conflict management strengthens the bond among members
- ensures long term survival of the cooperative/organization
- members feel motivated to give their level best to the cooperative
- minimizing disruption stemming from the existence of a conflict
- promotes teamwork

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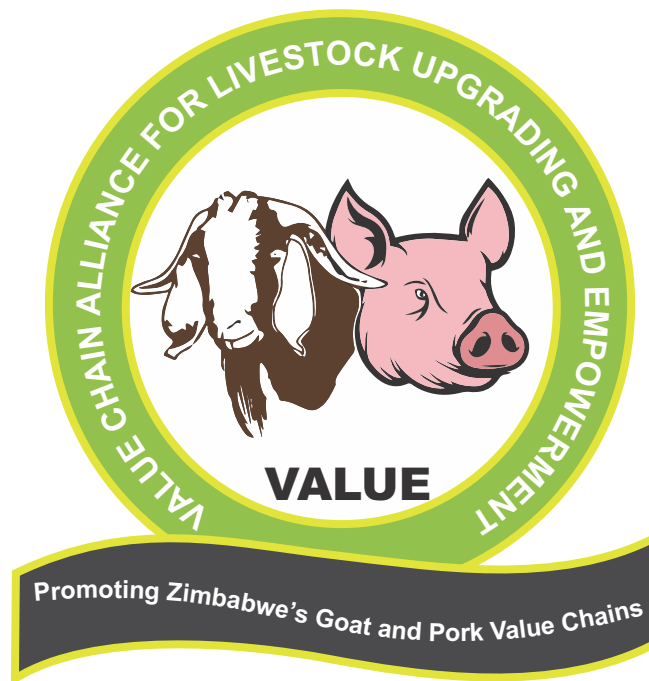
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Training Manual On Leadership, Governance and Democracy



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