Managers of NGOs and strategic Management: The case of Gaza Strip

Research Background

The study will be principally concerned with thinking strategically and practicing strategic management and its impact on the performance particularly on NGOs in Gaza Strip. Many writers (Bowman and Asch, 1987; Byars, 1991; Rowe et al, 1994; Pitts and lei, 1996; Thompson and Strickland, 1999; Pearce and Robinson, 2000; Joyce and woods, 2001; Hunger and Wheelen, 2001; Hitt et al, 2001; Analoui and Karami, 2003; Harrison, 2003;) agreed that thinking strategically and practicing strategic management have positive effects on the organizations’ performance.

Recently, a study of strategic management and challenges that are facing the NGOs in the UK by Aston University (Lubelska 1996) suggests that managers of NGOs are running their organizations as business and public bodies (Cited from Courtney, 2002). However, Lindenberg (2001) warns that bankruptcy and irrelevance are the most likely factors that will end the NGOs that do not reform themselves to achieve superior influence, efficiency, and accountability particularly in a gradually more global competitive environment.

Reviewing the literature reveals that little has been written about strategic management in NGOs compared with what has been written about strategic
management of large company (corporations). Generally speaking NGOs especially in Gaza strip for the most part are small. Therefore, it is understandable that NGOs in Gaza strip are more small businesslike.

Analoui and Karami (2003) stressed that research in strategic management mainly in small and medium size enterprises has become one of the most important fields of research in academia and industry. Therefore, it is convenient to use what has been written about strategic management in small and medium size enterprises to develop the knowledge about strategic management in NGOs.

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As shown (see Table 1.1) since 1994, the number of NGOs has been grown substantially, as the sector has been extended; it has been subject to high level of competition, especially with scarce donor resources and donors requirements such as greater financial accountability and more strong evidence of program influence, therefore thinking strategically and using strategic management are very much needed (Linenberg, 2001).

Wilson –Grau (2003) asserts that recently NGOs that are devoted to social change have invested seriously in improving their professional competences by using strategic management.
In the light of increasingly global competitive environment, NGOs, which have distinctive value, will own a particular advantage over other type of organizations in order to get the donors fund (John, 2000).

**Background information about Gaza Strip:**

The twentieth century was full of suffering and difficulties for Palestinians. They have sacrificed a great deal in the past and they are still sacrificing to achieve their independence. The west bank and Gaza strip are parts of Palestine, both are occupied by Israel in 1967 added to East Jerusalem, while other part of Palestine was occupied in 1948. From 1922 Palestine was under Britain mandate according to League of Nations resolution 1922.

After the war of 1948 Israel was established as a state and Gaza strip became under the Egyptian administration and West bank became under Jordanian administration till the occupation of Gaza strip and West bank by Israel in 1967.

The occupation continued about 27 years until treaty between Israel Palestinian Liberation Organization, which has taken place in 1993 and has been followed by Oslo agreement and the Paris Economic Protocol in April 1994. In September 2000 the second Intifada (Alaqsa Intifada) has started, and the Palestinian territories of Gaza strip and West bank have been in a constant state of political and economical turmoil. Currently, there are talks about truce to restart the peace process. The west bank has area of about 5,655 sq. km. (Passia, 2004) The population of West bank is 2,336,254, (PCBS, 2004) while Gaza strip measuring 360 sq. km (Passia, 2004) and its population is 1,363,513,( PCBS, 2004). Gaza strip lies on the eastern shore of the Mediterranean Sea. It is a small strip of land bound to the south by Egypt. It has one of the highest annual population growth in the world (4%). About 3,737,494 Palestinians are registered as refugees (UN, 2000). A high number of refugee immigrated to Gaza strip
during Israel-Arab war in 1948, the population of Gaza strip increased gradually after the Golf war in 1992 and the peace treaty in 1993 which make Gaza strip one the densely populated area in the word (Diabes and Barghouthi, 1996, p.13). Moreover, the population of Gaza strip is predominantly young, 48.5% of the population is under the age of 15. (The world fact book, 2005). There is no big difference between Gaza strip and west bank in general. Mainly they are under the same circumstances, they are from the same ethnic group, and they have the same culture, customs, traditions and religion (predominantly Moslems). Al-madhoun stresses that “Many Before the second Intifada (September 2000) comparison between Gaza strip and west bank shown that West bank has a larger chair of the manufacturing sector of the purchasing power in Palestine this is might well be due to several factors such as the greater isolation that has been imposed on Gaza strip, the easier access from West bank to Israel and world (input output) markets, the market which serves by West bank is bigger” (Vinterhav, 2000 Al- Madhoun 2003). Currently the picture has been changed in Gaza strip and West bank, they both have experienced the worst decline in economic growth and degradation in economic conditions. This downturn has been mainly the result of the Israeli closure policies and the Israeli military frequent attacks on West bank and Gaza strip. Even though some statistics shows that the economic situation in Gaza strip is the worse, for example, those living under poverty line constitute nearly 81% of the populations in Gaza trip (West bank 59%) (The world fact book, 2005).

Since 1948 UNRWA has played a key role in the Palestinians refugees’ socio economic life. Currently it serves the refugees in vital fields such as health, education, social welfare, human rights, woman, and productive sector. Gaza strip climate is Mediterranean, in the main it is temperate, mild to cold winters, dry and warm to hot summers, the climate of
West Bank is similar to Gaza strip with more lower level of rainfall, it has a colder winter with milder summer. (The world fact book, 2005)

Most of the structural problems and strategic choices affecting the west bank and Gaza strip are quiet similar. (Al-madhoun, 2003)

Research Problem

Israel occupied Gaza strip and west bank after the 1967 war, this occupation continued until Oslo agreement between Palestinian Liberation organization (PLO) and Israel in 1993. The situation prevailing before Oslo agreement in the Palestinian civil society was different from that of any other Arab country or any other development country in the area. This was the result of very exceptional conditions that have created it.

There was a lack of authority, on the part of state, and laws, which gave Palestinian civil society essential role in sustaining the society.

After establishing the Palestinian Authority in 1994 civil society has constituted an important part of Palestinian society. They still play an essential role and provide a great range of services for the citizens especially after the second Intifada in 28-09-2001. The number of NGOs in Gaza strip and West Bank is estimated at some 1,800-2,000, which is a large number for a small country such as Palestine, in Gaza strip there is 657 NGOs Abed (1998).

These organizations serve the community in several fields such as: agriculture, environment, culture, sport, democracy and human rights, economic development, health, social service and woman and Shbair (2003).

As shown (see Table1.) there is a high closure rate of NGOs in Gaza Strip (about 34% 2003).
Variety of reasons has been identified for this high rate of closure. Some of these NGOs closed because of internal reasons; the ministry has closed some others because they broke the law. They did not operate within legal framework. For example, there was no known office and no election take place. More over, Shbair (2003) states in her study that majority of NGOs have no comprehensive plan, they have managerial and Professional problems, even those NGOs which have strategic plans often they are prepared as a response to the donor countries demand often these plans are not their own, vision, strategy and goals. Therefor, the Ministry of Planning referred to these plans as Investment Plans. Abed (1998) suggests that the absence of strategic thinking, planning and management leads to duplication in NGOs activities and poor performance However, most of Gaza’s NGOs are of small, and suffers from lack of financial recourses and limited management experience. Researcher’s own experience in training and consulting in some NGOs in Gaza strip revealed that there is a lack Of strategic thinking on the part of the management. This has led to duplication in NGOs activities, poor performance, lack of sustainability, lack of effectiveness and lack of development. This research aims at exploring the perception of NGOs managers regarding the use of strategic management to achieve their goals

Research objectives and questions:

The research has the following main objectives:

1. To explore if NGOs’ managers think and use strategy in their management.

2. To assess the impact of applications of strategic management, if any, on the performance of NGOs in Gaza strips.

3. To identify ways to improve the performance by using strategic management.
In order to achieve these objectives the research will attempt to answer the following eight questions.

1. To what extend top managers of NGOs have strategic objectives, future vision, strategy, and plan?

2. How do top managers of NGOs in Gaza strip perceive strategic management process including environmental scanning, strategy formulation, implementation and evaluation of strategy?

3. What are the characteristics of effective strategy formulation and implementation process in NGOs in Gaza strip?

4. What is the result of practicing strategic management in NGOs in Gaza strip?

5. What is the impact of NGOs top managers profile on strategy formulation?

6. Is the size of NGOs in Gaza strip has influence on practicing strategic Management?

7. What will be the characteristic of an effective strategic management model in NGOs in Gaza strip?

8. To what extend feeling of uncertainty about the future especially in the current political and security circumstances will have impact on strategic management process in NGOs in Gaza strip?

**Research Importance**

In spite of what has been written on strategic management, there are limitations in this field; this has been stressed by several writers such as Kay (1993) who states that strategic management as a subject, which has been ignored in social science. Thomas (1998) stresses that few of management writers are interested in strategy. Stoney (2001)
asserts that strategic management, as a field of research requires more development. Above writers discuss strategy and strategic management in general but little has been written on strategic management in NGOs. Indeed, it suffers from more ignorance especially in Gaza strip.

Reviewing the literature to date shows that there is no study conducted at the PhD level in this area. This study will be the first of its kind. It will attempt to contribute to the development of strategic management thinking and practices in the Palestinian territories which may have implication in the Arab countries as the whole. Based on the result of this study the researcher will try to provide a framework of strategic management for NGOs in Gaza Strip.

**Research methodology**

The research will employ descriptive, analytical, comparative and statistical methods involving both qualitative and quantitative approaches.

The fieldwork will be based on survey questionnaire and sample interviews. Both primary and secondary data sources will be used. Data collection will be carried out in 2005. Steps to be taken are as follow:

1. The researcher will conduct semi-structured interviews with number of NGOs managers who manage different sizes of NGOs (small, medium, and large) in the main four Governorates in the Gaza Strip. In addition, interviews will be conducted with local experts in the management development of the territory, in order to benefit from their experience and evaluation of the managerial practices in the Gaza Strip.

2. A questionnaire will be specifically designed for this research. It will be distributed to 100 different size of NGOs. The researcher will use stratified random sampling where the
NGOS will be divided into five geographical areas, the areas will be North Gaza, Gaza City, Middle area, Khanyones, Rafah, and the sample size will be divided among above areas in the same ratios that they represent in population.

3. Literature review will be based on published and unpublished materials such as papers, books, special studies and reports, and other library-housed materials will be used.
Figure 1.1 Main steps of research process

- Identification of problem and statement of research objectives
- Review of existing literature of SMNGOS
- Creation of research design
- Choice of method of research
- Selection of sampling procedure
- Collection of data
- Analysis of data
- Validation of findings
- Proposition of generic model for strategic management for NGOs implementation
- Conclusions and recommendations

Literature Review:
Literature review will be carried out in order to extend the researcher’s knowledge into relevant materials; particularly the researcher has the opportunity to read unpublished materials such as reports provided by UNRWA, NGOs, and The Palestinian Authority. The literature review will take place in chapter two and chapter four. Literature review will be primarily concerned with strategic management and NGOs therefore the following concepts will be discussed and examined; management, managers, strategic management, strategy, strategists, current research in strategic management, and NGOs. In Chapter four the existing models of strategy formulation and implementation in NGOs will be reviewed.

**Thesis Outline**

This thesis will be organized into 10 chapters; brief description of each chapter will be as follow:

Chapter One: Will be the introductory chapter which presents the researcher’s overview and will present the background for the following chapters.

Chapter Two: Will provide the literature related to management and managers, strategic management, and NGOs.

Chapter three: Will present the research design and framework which will be used to achieve the study objectives. Justifications will be provided regarding the convenient framework of strategic management for NGOs in Gaza strip.

Chapter four: Will provide an explanation of the current situation in the Palestinian territories, including background information, the economic status, NGOs, strategic management for NGOs in Gaza strip, West Bank, Egypt, Jordan.
Chapter five: Will explain with more details the research methodology including data collection methods, data analysis, with giving a presentation of data analysis chapters.

Chapter six: Will present the description of results and provide an analysis of managers’ portfolio, NGOs characteristics, and strategic management process.

Chapter Seven: Will introduce the major findings of the research in connection with research questions.

Chapter eight: Will summarize the main findings and conclusion of the study, and provide recommendations for the main beneficiaries from the study, proposing ways to improve the performance by using strategic management. This chapter will suggest further research and explain limitations and difficulties came across during the research process.