



# The managers' characteristics and their strategy development in the Palestinian NGOs

## An empirical study in Palestine

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### Abstract

**Purpose** – The purpose of this paper is to explore the role of managers in the strategic management process, particularly its application in non-governmental organizations (NGOs).

**Design/methodology/approach** – The study examines the relationship between managers' demographic characteristics and the impact of strategic awareness on their part upon NGO performance. It is based on a recent empirical survey of NGOs located in the Gaza Strip (GS) in Palestine. Survey questionnaire supported by selected interviews and secondary data formed the main data collection instruments.

**Findings** – There is no disparity of opinion of the correspondence about the identification of NGOs manager's perceptions and attitudes toward developing and implementing effective strategies at significant level due to age, years of experience, level of education and gender. Moreover, it was discovered that the awareness of the managers plays an important part in the formulation and implementation of strategy in NGOs.

**Research limitations/implications** – The findings of this first-time study are specific to the NGO sector in the Gaza Strip, though there are a number of policy implications for other developing countries.

**Practical implications** – The research has far reaching implications for selection, training and development of managers of NGOs, because of their significant role as strategists concerned with suitable allocation of resources, human and otherwise, to guide and improve strategic performance.

**Originality/value** – The original contribution is concerned with the managers' awareness of the strategic management processes in Palestinian NGOs. It has a particular value for human resource management (HRM) decision processes towards recruitment, selection and management development of the managers.

**Keywords** Palestine, Management development, Strategic management, Managerial characteristics, Non-governmental organizations, Organizational performance

**Paper type** Research paper

### 1. Introduction: an overview

A leadership study carried out by the American Management Association has shown that the most important competency for a leader to have is the ability to develop strategy. However, only a few percent could be classified as strategists. It is also reported that 90 percent of executives at the vice president level have had no training to become competent strategists (Horwath, 2008).

Senior managers play a vital role in strategic planning/management (Nadler, 2004). Many studies have investigated the relationship between managerial characteristics and strategy (Gupta and Govindarajan, 1984; Hambrick and Mason, 1984; Wiersema and



Bantel, 1992; Kathuria and Porth, 2003; Karami *et al.*, 2006). Research on strategy has emphasized the essential role of senior executives in formulating and implementing the strategy development process (Sebaa *et al.*, 2009).

Moreover, previous research on the influence of “upper echelon” managers has emphasized the significance of matching the characteristics of senior executives with the requirements of their organizations’ strategies. Organizations that achieved higher levels of strategy-manager alignment at both the corporate and business unit levels were found to have respectively higher levels of organizational performance (Kathuria and Porth, 2003). It has therefore been recommended that a high level of management quality, measured in terms of managerial characteristics such as capabilities, skills, expertise, age and education, is more common among successful than unsuccessful organizations (Hambrick and Mason, 1984; Leonidou *et al.*, 1998; Analoui, 2000; Analoui and Karami, 2003; Karami *et al.*, 2006). Briefly, this paper aims to explore:

- the relationship between top managers’ age, work experiences, educational background and strategy formulation in NGOs; and
- the impact of the strategic awareness of the top managers upon NGO performance.

To achieve this, first a brief discussion of the scope and methodology employed will be outlined. Then, the salient characteristics of the managers involved and their role as strategist will be explored. Also attention will be paid to the manager’s awareness of the need for strategy before discussing the main finding of this study. Finally, the main conclusions will be reached and pertinent implications for the NGOs in GS developing countries will be discussed in some details.

## 2. The scope of the study

This paper is based on a recent empirical research which employed descriptive, analytical, comparative and statistical methods involving both qualitative and quantitative approaches. During the fieldwork a survey questionnaire was employed to collect the primary data. Secondary data were also collected to supplement the primary. A six-part questionnaire was specifically designed for this research.

In order to analyze the data, stratified random sampling was used in five geographical areas; the North Gaza, Gaza City, Middle area, Khanyones and Rafah. Also NGOs were divided into three sizes: small, medium and large. The sample size has been divided among the above areas and sizes in the same ratios that they are represented in the population. The criteria for defining the size of the NGOs was based on the basis of the number of employees, and the threshold values for participation in the study were:

- small size NGOs up to ten employees;
- medium size NGOs from 11 up to 20 employees; and
- large size NGOs more than 20 employees.

A sample of 200 was drawn from 630 NGOs. Overall, 200 questionnaires were distributed and 127 completed responses were returned from NGOs in GS. This represents a response rate of 63.5 percent (see Table I).

## 3. Findings and discussion

### 3.1 Respondents’ age and strategy

As shown (see Figure 1) the composition of the respondents suggest that majority of the senior managers in charge of the NGOs involved in the study are age 26-35 years old.

Whilst younger managers are likely to take more risks the older managers are more conservative and represent wisdom, rational and accumulated experience. According to Hambrick and Mason (1984), youthful managers tend to attempt the novel, the unprecedented and take risks whilst older executives tend to adopt a more conservative position.

The first explanation for older managers being more conservative could be due to; having less physical and mental energy, or their being less able to grasp new ideas or learn new behaviors. There is also a negative relationship between managerial age and the ability to integrate information in making decisions and with confidence in decisions. While it appears that there is a positive relationship between tendencies to seek more information, to evaluate information accurately, and to take longer to make decisions.

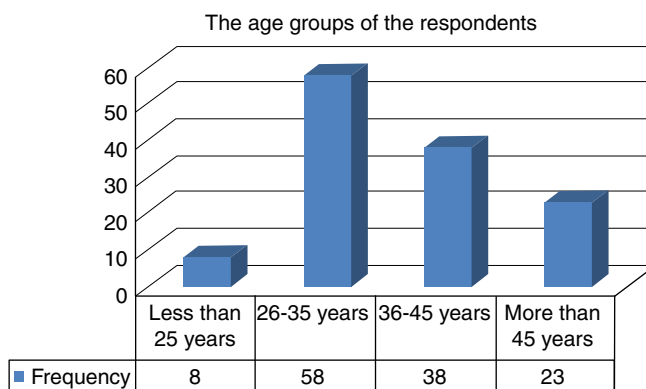
The second explanation is that older executives have superior psychological commitment to the organizational status quo. Third, the older executives may be at an age when financial security and career security are more significant to them. Their social circles, their spending habits and their plans about retirement income are already set up. Any risky decisions that might interrupt these are generally avoided. Wiersema and Bantel (1992) stress that, "an individual's age is expected to influence strategic decision making perspectives and choices." Furthermore, research revealed that firms going through strategic change are more often managed by top management teams characterized by lower average age.

Stevens *et al.* (1978) found that older managers are more risk overseers and will be likely to make more conservative decisions than younger managers. Similarly,

Northern Gaza			Gaza			Middle Gaza			Khanyounis			Southern Gaza		
14			63			14			17			19		
L	M	S	L	M	S	L	M	S	L	M	S	L	M	S
5	3	6	21	14	28	5	3	6	6	4	7	7	4	8

**Table I.**  
The distribution of the sample

Source: Data analysis



**Figure 1.**  
The age groups of the respondents

Source: Data analysis

Awamleh (1994) commented that the higher the age levels the more likely managers would be less willing to be more creative and open to change. Older managers are more apt to defend the status quo (Kathuria and Porth, 2003).

The present research shows that there is no difference in the respondents concerning the identification of NGOs manager's perceptions and attitudes toward developing and implementing effective strategies at significant level  $\alpha = 0.05$  due to age (see Table II).

To test the relationship the one-way ANOVA has been used and the results as illustrated in Table III show that the  $p$ -value = 0.977 which is greater than 0.05 and the value of  $F$  test = 0.067 which is less than the value of critical value which is equal to 2.68. This means there is no difference in the opinion of the respondents about the identification of NGOs manager's perceptions and attitudes toward developing and implementing effective strategies at significant level  $\alpha = 0.05$  due to age.

### 3.2 Respondents' education and strategy

Sebaa *et al.* (2009) review of the literature suggests that education level is positively correlated to innovation, change and growth (Bantel and Jackson, 1989; Hambrick and Mason, 1984; Wiersema and Bantel, 1992; Finkelstein and Hambrick, 1996).

Kathuria and Porth (2003) also revealed that manufacturing managers employed with the differentiation units have significantly higher levels of education ( $p \frac{1}{4}$  0:04) than manufacturing managers of low cost units. Furthermore, they found that the

**Table II.**  
One-way ANOVA test for difference in point of view up to the identification of NGOs manager's perceptions and attitudes toward developing and implementing effective strategies  $\alpha = 0.05$  due to age

Field	Source	Sum of squares	df	Mean square	$F$ value	Significance ( $p$ -value)
Identification NGOs manager's perceptions and attitudes toward developing and implementing effective strategies	Between groups	0.046	3	0.015		
	Within groups	27.960	123	0.227	0.067	0.977
	Total	28.006	126			

**Note:** Critical value of  $F$  at df "3.123" and significance level 0.05 equal 2.68

**Source:** Data analysis

**Table III.**  
The results of the one-way ANOVA test for the identification of NGOs manager's perceptions and attitudes toward developing and implementing effective strategies

Field	Source	Sum of squares	df	Mean square	$F$ value	Significance ( $p$ -value)
Identification NGOs manager's perceptions and attitudes toward developing and implementing effective strategies	Between groups	1.335	4	0.334		
	Within groups	26.671	122	0.219	1.527	0.199
	Total	28.006	126			

**Note:** Critical value of  $F$  at df "4.122" and significance level 0.05 equal 2.45

**Source:** Data analysis

difference in education remains significant at  $p \frac{1}{4} 0:04$ , with the top performers in differentiation units being more highly educated than those in the low cost units.

Karami (2003, 2007) and Karami *et al.* (2006) revealed that the SMEs under study whose senior managers have had a management educational background are more inclined to develop strategic plans than those managers who have not had such educational attainments. This was validated by using statistical analysis by ANOVA result ( $F(1, 129) = 0.266; p < 0.05$ ). Furthermore, it has been revealed that CEOs with a management educational background place more emphasis on “opportunities” and “threats” rather than those who have not had such an educational background.

Sebaa *et al.* (2009) proved the usual view that “prospector” managers have, on average, higher educational status than “defender” managers in local government in Dubai. In the current research there is no difference in the correspondence about the identification of NGOs manager’s perceptions and attitudes toward developing and implementing effective strategies at significant level  $\alpha = 0.05$  due to the level of educational qualification.

To test the relationship, the one way ANOVA has been used and the results illustrated in Table III show that the  $p$ -value = 0.199 which is greater than 0.05 and the value of  $F$  test = 1.527, and which is less than the critical value is equal to 2.45. This means there seems to be no difference in the opinion of the respondents about the identification of NGOs manager’s perceptions and attitudes toward developing and implementing effective strategies at significant level  $\alpha = 0.05$  due to level of educational qualification.

### 3.3 Experience

Hambrick and Mason (1984) assert that career experiences, other than functional track record, can be expected to have a significant effect on the types of actions taken by a manager or an entire top management team. It is also reported that new high-technology ventures whose management teams had more functional experience in the areas that are most closely linked to their choice of competitive strategy, were more successful in their cooperative activities chosen to support that strategy (McGee *et al.*, 1995). Similarly, Analoui and Karami (2003) and Karami *et al.* (2006) contended that the professional experiences of the managers, with regard to previous careers, practical expertise or product knowledge, have been associated with firm performance. These findings suggest that firms benefit from more experienced managers that better understand what they do not know, and what they might learn from cooperation.

The present study revealed that there is no difference amongst the respondents concerning the identification of NGOs manager’s perceptions and their attitudes toward developing and implementing effective strategies at significant level  $\alpha = 0.05$  due to year’s experience.

To test the relationship the one way ANOVA has been used and the result illustrated in Table IV shows that the  $p$ -value = 0.596 which is greater than 0.05 and the value of  $F$  test = 0.739 which is less than the value of critical value which is equal to 2.29. That means there is no difference in the opinion of the respondents about the identification of NGOs manager’s perceptions and attitudes toward developing and implementing effective strategies at significant level  $\alpha = 0.05$  due to years of experience.

Interestingly, managers of the NGOs consider long experience in the field as a factor for determining their core competences ( $t = 14.70, p = 0.000$ ). This factor has been ranked as first priority between other factors such as service quality, donors trust, competition capacity and HR competences.

### 3.4 Gender

The gender spread of the respondents, was also analyzed. Table III shows that 68.5 percent from sample are “male” and 31.5 percent “female.” This result proves that most of the top management positions and particularly the executive ones in NGOs were occupied by men rather than women. This is respectively expected as a cultural issue in a conservative community like GS. However, the percentage of 31.5 is high when compared with other areas and fields. Perhaps this result is related to the special nature of the NGOs. The above result is in line with findings of the Wady and Ashqar (2009), who commented that it is a reasonable percentage of women participation.

To test the above relationship the independent samples have been tested (see Table V). The results illustrated shows that the  $p$ -value = 0.209 which is greater than 0.05 and the absolute value of  $t$ -test = 1.263 which is less than the critical value which is equal to 1.98. This means, there is no difference between the opinion of the respondents about the identification of NGOs manager’s perceptions and attitudes toward developing and implementing effective strategies at significant level  $\alpha = 0.05$  due to gender.

### 3.5 Strategic awareness of the managers

Berry (1998) claims that it is significant to realize that in studying management practice in small firms, the role of the entrepreneur is decisive. The entrepreneur’s personal goals, characteristics and strategic awareness will all extensively impact on the development of the business. Analoui and Karami (2003) and Karami *et al.* (2006) revealed that the strategic awareness of the CEOs represents an important part in the formulation of business strategies. It was discovered that 56 percent of the studied NGOs employed a methodical approach to strategic planning in their NGOs. The association between managers’ awareness of the significance of strategic management

**Table IV.** One way-ANOVA test for identification of NGOs manager’s perceptions and attitudes toward developing and implementing effective strategies and years experience

Field	Source	Sum of squares	df	Mean square	F value	Significance ( $p$ -value)
Identification NGOs manager’s perceptions and attitudes toward developing and implementing effective strategies	Between groups	0.830	5	0.166		
	Within groups	27.177	121	0.225	0.739	0.596
	Total					

**Note:** Critical value of  $F$  at df “5.121” and significance level 0.05 equal 2.29  
**Source:** Data analysis

**Table V.** Independent samples test for the identification of NGOs manager’s perceptions and attitudes toward developing and implementing effective strategies  $\alpha = 0.05$  due to gender

Field	Gender	N	Mean	SD	t	p-value
Identification NGOs manager’s perceptions and attitudes toward developing and implementing effective strategies	Male	87	3.705	0.459	-1.263	0.209
	Female	40	3.818	0.495		

**Note:** Critical value of  $t$  at df “12.5” and significance level 0.05 equal 1.98  
**Source:** Data analysis

and environmental scanning is significantly ( $t = 8.29$ ,  $p$ -value = 0.000) important. The respondents perceived the external opportunities as tremendously significant ( $t$ -test = 15.49,  $p$ -value = 0.000).

It is remarkable to observe that where a strategic planning approach has been set up in the NGOs, those managers tended to perceive environmental awareness as a "significant element." Therefore, the strategic awareness of the managers significantly impacts on the setting up of a methodical approach to strategic planning within the organizations, and on the overall performance of the NGO ( $t$ -test = 14.45,  $p$ -value = 0.000). Moreover, the results showed that strategic awareness of managers plays a vital role in the formulation of the business strategies ( $t$ -test = 17.79,  $p = 0.00$ ).

Argote and Ingram (2000) argue that the creation and transfer of knowledge are a basis for competitive advantage in firms. Analoui and Karami (2003, 2007) and Karami *et al.* (2006) also claim that CEOs should be helped (trained) to build up and acquire wider awareness of the significance of the environment and the market in which their organizations work. This will be useful for achieving the needed flexibility inside the processes of their strategic organizational decision making so that changes in the environment can be reacted to rapidly and proactively. The results of the present study show that 81.1 percent from the sample have taken training in strategic planning, which is indeed a high percentage and reflects a high level of strategic awareness amongst managers.

It is generally agreed that training is a very important factor in helping managers to improve their managerial skills in general and strategic management skills in particular. Since managers play a crucial role in the success of the business, to improve managerial competencies and effectiveness by offering the managers chances to attend management training programs would be appropriate (Pickett, 1998; Willcocks, 1998; Analoui, 2000; Al-Madhounm and Analoui, 2002). Nevertheless, most training for NGOs is often offered on a one off basis (Shubair, 2003). Moreover, this kind of training heavily relies on the foreign financial support and often there is a lack of proper evaluation.

#### 4. Conclusion and policy implications

There is no disparity of opinion amongst the respondents about the identification of NGOs manager's perceptions and attitudes toward developing and implementing effective strategies. Environmental awareness of the managers in NGOs is considerably important. Research findings suggest that there is a significant association between the strategic awareness of the managers and their initiating a strategic planning approach within their organizations. Moreover, the managers' strategic awareness and their perception of the benefits coming from a formal strategic planning approach within the NGO considerably impact upon the success of the NGO.

The above findings have enormous implications for the strategic human resource management of the NGO, particularly selecting, and training and developing managers, because they play an important role in formulation of the strategy and the NGO's performance. NGOs because of their precarious financial position can allocate a large portion of their resources to the training and development of their staff. More targeted training is required to increase the awareness amongst the participants of the need and necessity for periodic but regular training in the field of strategic management.

The policy implication for international NGOs is to develop the capacity of the local staff in order to achieve targets locally. Moreover, understanding the alignment



relationships and more suitable allocation of human resources will guide the organizations to improve strategic performance.

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