

MANAGEMENT CHARACTERISTICS IN GAZA'S MANUFACTURING ESTABLISHMENTS: A COMPARATIVE STUDY

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ملخص: كرس هذا البحث للتعرف على سمات الإدارة في قطاع غزة ومقارنتها بالإدارة في أوروبا الغربية. ولقد أظهرت الدراسة اختلاف جوهري بين الطريقتين. ويعود هذا الاختلاف إلى عوامل عدة أثرت على السلوك الإداري في المجتمعين منها العوامل الاجتماعية والثقافية. ولا يمكن لأحد يدعي أن طريقة إدارية ما أفضل من غيرها، ولكن على الثقافات أن تتعلم من بعضها، حيث كل ثقافة قوية وضعيفة في بعض الجوانب.

Abstract: This research was devoted to investigate the distinctive characteristics of Gaza's management compared with the Western European management. The study revealed significant differences between the two management approaches. Many factors contributed to the difference in managerial practices including social and cultural influences.

No one can say that certain management approach is better than another. However, cultures can learn from each other. Each culture is strong and weak in some diminution's.

1- Introduction

The managerial literature has identified three distinct approaches to management. They include: 1) The American classical school of management with its strongly emphasis on marketing, strategy and the competitive model; 2) Japanese approach with its emphasis on management science and the disciplines of statistical process control based on the practical experience of managing production and operations; and 3) European model with its incorporation of several elements including, social, democratic practices, philosophy and political process (Lawrence, 1997; Weir, 1993). In addition, David Weir argued in his paper entitled "Management in the Arab World" (1993) that the Arab management could be defined as a fourth approach of management with its influenced with Islam, social and political life in the Arab world.

This research will analyze the management characteristics of Gaza's manufacturing establishments. The research will investigate the distinctive nature of Gaza's management compared with European approach. In addition, the study will examine how Arab and local culture influenced the managerial practices in Gaza's manufacturing establishments.

However, before proceeding, it is important to mention that, because of lack of information on Gaza's and Palestine's management styles, the researcher will highlight Arab management and organization. This literature to a certain extent is valid, because Gaza Strip is part of the Arab world.

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2- The Characteristics of Gaza's manufacturing establishments

During the Israeli occupation period (1967-1993) Gaza's economy remained undeveloped (World Bank, 1993). Manufacturing establishments were mainly dominated by small-scale establishments and with low capitalization levels (Central Bureau of Statistics (CBS), 1994). The Israeli occupation's policies had contributed significantly to the underdevelopment of Gaza's economy (El-Farra and Macmillan, 2000). In addition, there were some other internal constraints contributed to the problem. The internal constraints were mainly attributed to the local business owners and managers in their lack of experience in management, production and marketing (El-Farra & Wakelam, 1999).

During the Palestine National Authority (PNA) period¹ the characteristics of Gaza's manufacturing establishments were very similar to the pre-1994 period. Table 1 shows that in 1997 Gaza's economy consists of 22,495 establishments with total employment at about 53,946 persons (PCBS, 1998). Manufacturing establishments are still dominated by small-scale establishments with average employment size of about 4.8 persons in 1998 (Nofal, 2001). Table 1 reveals that 97 per cent of Gaza's manufacturing establishments employ 19 persons or less. Only 3 per cent of Gaza's manufacturing establishments employ 20 persons or more. Furthermore, the manufacturing sector comprises 3944 establishments. It accounts for 17.5 per cent as a proportion of overall establishments in the Gaza Strip. Low capitalization level was a characteristic feature of Gaza's overall establishments with average invested capital at about \$10,330 per establishment (UN, 1998). Low employment and low invested capital in Gaza's manufacturing establishments reflected negatively on the level of productivity in Gaza's establishments. In 1994 the average annual productivity per engaged persons in the West Bank and Gaza Strip were only \$6944 (UN, 1998).

Table 1 - Number of Establishments in operation by Principal Economic Activities and Employment Size in the Gaza Strip, 1997

Economic Activities	0-4	5-9	10-19	20-49	50+	Total	Per cent
Agriculture	904	15	1	1	0	926	4.1
Manufacturing	2972	628	242	92	10	3944	17.5
Electricity and water Supply	648	6	0	1	0	655	3.0
Construction	130	42	27	16	4	219	1.0
Wholesale, retail & repairs	1191	305	65	9	1	1229	55.0
Hotel & restaurants	4					4	
Hotel & restaurants	674	22	6	4	0	706	3.0
Transport, storage &	269	23	12	2	5	311	1.0

communications							
Financial intermediation	136	9	19	10	2	176	0.7
Real estate	736	50	19	2	1	808	3.6
Education	294	137	36	9	2	478	2.0
Health & social work	671	61	37	16	9	794	3.5
Others	1079	67	30	6	2	1184	5.0
Total (per cent)	91.0	6.0	2.2	0.8	0.0	22,495	100.0

Source: Palestine Central Bureau of Statistics, (1998). *Population, Housing and Establishment Census 1997, Final Results: Establishments Report*. Ramallah-Palestine.

3- Research Objectives

The study aims to achieve the following objectives:

- 1- To investigate the characteristics and distinctive nature of managerial practices in Gaza's manufacturing establishments.
- 2- To develop the literature concerning the impact of culture on management, as to gain more understanding of management thinking and practices cross-nations.
- 3- To draw a comparison between managerial practices in Gaza and Western European countries.

4- Research Hypothesis

Hypothesis 1: There is a positive correlation between the size of Gaza's industrial establishments and their managerial characteristics and behavior. This hypothesis may be supported with the following sub-hypothesis:

- There is a Positive correlation between company size of employment and its management concern with competitors.
- There is a Positive correlation between company Size of sales and company size of capital.
- There is a Positive correlation between company size of capital and management opinion that investing in machinery was to improve and develop products.
- There is a Positive correlation between company size of capital and the level of qualification of management.
- There is a Positive correlation between company size of employment and the degree of trust between managers and their subordinates.

Hypothesis 2: There is a negative correlation between the value given to time and

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degree of trust between managers and subordinates.

5- Methodology

This research employs descriptive, analytical and comparative methods involving both qualitative and quantitative approaches. The fieldwork is based on distributing a questionnaire specially developed for this study (see Appendices.1). Both primary and secondary data sources were used. The data collection was done in the following manner:

- 1) Questionnaires specifically designed for this research. They were distributed selectively covering 100 manufacturing establishments of different sizes. The questionnaires were distributed in December 2001. The close-ended questionnaire was used because, it is easy to answer and analyze (see Appendix 1).
- 2) Academic work on the subject such as books, articles, special studies and reports, and other library-housed materials were collected through library research. Overall, this study relied on a variety of sources and used a selective method in gathering the relevant information from each source in order to benefit fully from all available sources.

6- Research Sample

The researcher used the simple random sample. The sample size was 100 establishments. The questionnaire was distributed to 130 establishments, however, 120 questionnaires were returned. Nevertheless, the researcher neglected 20 of the returned questionnaires because of the follows:

- 1- All incomplete questionnaires were neglected.
 - 2- Establishments with capital size less than \$20000 were ignored.
 - 3- Establishments with employment size less than 5 persons were deserted.
- The very small establishments were not considered because; size of establishment usually influences the management characteristics and behavior. Small size establishments lean to personal relations and centralization in all cultures.

7- Scale of Measurement

The Likert five scales model was used in measuring the management characteristics in Gaza's manufacturing establishments. The interviewees were given five answers on every question to choose one answer. The answers consist of five scales as the follows:

The answers	Grade
Strongly agree	5
Agree	4
Neutral	3
Disagree	2
Strongly disagree	1

8- Questionnaire Validity

The researcher examined and developed the questionnaire through the following manners:

- 1) Pilot test was conducted. The questionnaire was distributed to 15 persons from

the population research, to get their feedback.

2) Some experts in the field of management and methodology were consulted.

2) In addition, the Pearson and Spearman Correlation techniques were used to test the validity of the questionnaire.

The questionnaire was developed in the final format and distributed. This was done after taking all the limitations found in consideration.

9- Statistical Analysis

The questionnaire was analyzed by using the SPSS statistical package. The researcher calculated the means, standard deviations and frequencies. These statistical indicators were used to understand the management characteristics in Gaza's establishments. In addition, the following statistical tests were computed:

1. Sign test to discover the difference between the average of questions (3) and the average of answers. When the value of the sign test (.05) or less, it reveals that the variable contributed significantly to the problem.
2. Kolmogorov-Smirnov test was calculated to define the type of data distribution. The test reveals that the data is Nonparametric.
3. Correlation Co-efficient (Pearson) test, to measure the correlations between selected variables. The value of this correlation-Co-efficient ranges between 1+, 1-. When the value is close to (1), it reflects a significant correlation between the variables and vice-versa.
4. The internal confidence for mean is 95%.

10- Research Questions

The research questions are the follows:

1. How employees consider their direct managers?
2. Is there an encouragement to the employees at your establishment for innovation and initiation in order to develop work performance?
3. What is the degree of management commitment to decisions made at the establishment?
4. What is the common criterion used to evaluate employees performance at your establishment?
5. How does company usually recruit its employees?
6. How do you grade the value of time at your establishment?

11- Research Importance

The managerial practices in the Gaza Strip have never been adequately examined, partly because of lack of information and partly because of lack of experts who are interested in writing in the field of managerial characteristics in Palestine in general or in the Gaza Strip in particular. In fact, not only are management characteristics in Gaza being neglected by researchers, but also the Strip as a whole has been largely ignored. The Gaza Strip tends to be forgotten when writers and politicians discuss the Palestine problem (Roy, 1995). Mention of a 'Palestinian state on the West Bank' or of 'confederation/federation between the West Bank and Jordan' often ignores reference to the Gaza Strip, or only adds it as an afterthought (Lesch,

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1985). Roy (1995, p. 3) commented on the neglect of the Gaza as follows: “The Gaza has been called “the forgotten man of the Middle East”, “the stepchild of the West Bank”, “the black hole of the Arab world”, and “Israel’s collective punishment”.

This is the first detailed study to be devoted specifically to the management characteristics in Gaza's manufacturing establishments. The work seeks to identify the distinctive characteristics of management in the Gaza Strip. This means that this work includes a new dimension and therefore a contribution to the understanding of the state of management in Gaza's manufacturing sector.

12- Research contents

The research include the following sections: 1) management characteristics in Arab world, 2) social and cultural influences on Arab management, 3) management characteristics in Western European countries, 4) management characteristics in Gaza's manufacturing establishments (this section includes research questions, research hypothesis and a comparison between Gaza's management and Western management).

12.1 Management characteristics in the Arab world,

Several studies has been conducted on the Arab management in terms of their attitudes, behavior and thinking. These studies suggested the following distinctive characteristics of the Arab management (Weir, 1993; Al-Faleh, 1987; Al-Rasheed, 1994; El-Ansary, 1985; Atiyyah, 1993):

1. Seniority, position and status significantly outweigh ability and performance
2. Organization members are motivated by affiliation and power needs rather than by performance objectives
3. Managers decline to delegate power to subordinates
4. Centralization and authoritarian style of management is predominant
5. Most decisions are made at top level in the organization
6. Most decisions and commitments are renegotiable at a later time
7. Lack of democracy in decision-making and consultative styles are pervasive and dominant. In addition, consultation is usually carried out on a person-to-person basis
8. Management is reactive (not active) and crisis oriented
9. Innovation and risk taking are activities which seem to be more often punished than rewarded
10. Organizations are characterized by low level of trust, closed information systems and low levels of disclosure of organization members
11. There is a strong preference for a person-oriented approach rather than a task-oriented approach in managerial activities
12. Loyalty is valued over efficiency
13. High level of uncertainty at work
14. Kinship ties are important and nepotism is regarded as natural and

acceptable

15. Punctuality and time constraints are of much less concern than in Western cultures

16. Managers rely upon family and friendship ties for getting things done. In addition, Arab managers view their organizations as family units and often assume a paternal role on them

The previous mentioned characteristics are general distinctive features of the traditional Arab management. However, managers in Arab countries do not follow one style exclusively. Even managers in the same country do not behave exclusively the same. In addition, it is common for managers in the same organization to use more than one style in managing subordinates (Attiyah, 1993). Apart from culture and society, there are several factors contribute in shaping the management style and organizational structure including, size of organization, type of business, characteristics of employees, background and experience of managers (Al-Shareef, 1997).

12.2 Social and cultural influences on Arab management

Before, proceeding, we should define culture, since there is no consensus among writers on the concept of culture (Laurent, 2000). For example, Linton (1945, p. 21) defined culture as "the configuration of learned behavior and results of behavior whose component elements are shared and transmitted by the members of a particular society". While, Hofstede (1981) defined culture as the collective programming of the mind which distinguishes the members of one group of people from another. Also, Laurent (2000) defined culture as the glue that hangs everything together in a meaningful way for a particular group of people. To conclude, culture is an heritage deeply rooted in history. It reflects what we have learned from our parents, from school, from religions and from work. Culture is a dynamic process. It provides guidelines for the future and direction in terms of how to live and deal with everyday problems.

In order to understand why Palestinian managers behave in the way that they do, we should appreciate the organizational, social and cultural contexts in which managers operate.

In deed, Arab management patterns and styles reflect organization and society culture. Al-Rasheed (1994) mentioned the following dimensions that influence managerial behavior in the Arab world:

1- The distinctive characteristics of Arab organizations, where the great majority of them are owned and managed by families. This factor personalized superior/subordinate relationship at organizations. In addition, separation between management and ownership was hardly existed. Furthermore, since managerial practices derived from nepotism and tribalism, human resources management policies are primitive. Moreover, limited job market in most Arab countries specially in the Gaza Strip (because of economic hardship), contributed to a high competition among educated employees. This has resulted in limited chances for mobility and reduced opportunities for advancement at organizations.

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The smaller size of organization was also one of the factors, which contributed to narrower scope of opportunities for advancement and promotion among employees, and less elaborated organizational structure. In addition, organizational culture in general influences the employees advancement at organizations. Organizational culture may be defined as, the values and patterns of belief and behavior that are accepted and practiced by the members of particular organization (Pringle, Jennings, and Longenecker, 1988). Furthermore, each organization develops its own unique culture (Wright, Kroll and Parnell, 1998). The main advantages of a strong organizational culture are (Hannagan, 1995): 1) it facilitates goals alignment, 2) it leads to high levels of employee motivation and 3) enables the organization to learn from its past.

2- The cultural dimensions, which include three major values including: 1) the traditional religious values, 2) Arab value system and 3) socio-economic and political factors. These values and factors will be examined as follows:

1. The traditional religious values:

The affect of Islam² is noticeable in many aspects of life in Arab societies, including shaping people's perception and behavior in management. It can be argued that the traditional religious values contribute, among other factors, in explaining the traditional Arab management and organization, lack of delegation of power and personalized superior/subordinate relationship (Al-Rasheed, 1994).

2. Arab value system

Many writers on Arab management approach argued that, the traditional Arab culture contributed with many other factors towards shaping the managerial practices and styles in Arab organizations (EAMD, 1998). According to EAMD, the main characteristics of Arab world culture including: 1) fatalism versus free will, 2) shame versus guilt, which is reflected in the psychological drive to prevent criticism by others rather than conscious questioning, 3) orthodoxy versus creativity, which legitimizes the status quo, 4) dictation by history and old values prevent searching for new models in management. EAMD concluded that, these Arab values prevented endeavors to systemize behavior in organizations, including introducing effective planning, organizing and decision-making.

3. Socio-economic and political factors

Three main aspects will be highlighted:

(a) The traditional family structure and social relations in Arab societies, contributed towards shaping the managerial behavior in Arab organisations. Sharabi (1988) in his book argued that the 'neopatriarchy' structure prevails in Arab society and reflects a traditional type of social structure. According to Sharabi (1988) Arab individuals belong to family, clan and religious sect. While the family, which represents a model of this social structure, is characterized by the dominance of the father, the subordination of younger to older, and females to males. Authority, domination and dependency are the basic internal relations of the patriarch structure of the family. The tradition type of Arab social structure may

contribute among others in explaining the Arab managerial practices.

(b) Insufficient foundations for democratic practices in Arab societies. The excessive lack of democratic processes in the Arab countries reduces people's chances to participate in decision making process. This deficiency in democratic process is a factor among others that contributes in explaining traditional nature of managerial practices in the Arab world.

(c) The traditional educational system, with its discouragement of independent thinking and creativity contribute, among other factors, in explaining the traditional Arab management and organization including the limited future orientation and lack of concern of training.

12.3 Management characteristics in Western European countries

Within Europe, the notion of national cultural unity is not exist, since culture is a reflection of history, language, religion, experience and education. Even it is questionable whether there is enough cultural unity within a nation state to be able to talk about the existence of a national culture³. However, writers on management illustrated that Western countries have their distinguished approach of management (Weir, 1993).

Laurent (2000) classified the world organizational culture into two types: 1) blue culture, where USA, Britain, Ireland, Canada, Germany belong to; 2) green culture, where Southern Europe, Arabs, Africa and Latin America affiliate to⁴. The managerial features of the blue culture⁵ are the follows (Laurent, 2000):

- 1- Clarity of roles, authorities and responsibilities.
- 2- Transparency in dealing with money, individuals and procedures
- 3- Managers are task focused not relationship focused
- 4- Employees are objectives driven not people driven
- 6- Easy and replaceable of individuals
- 7- Organisations are overly structured and the formal hierarchy should be followed rigidly.
- 8- Managers concern with doing things right more than doing right things
- 9- Time and appointment should be rigidly followed and respected.

In addition, Hickson and Pugh (1995) have classified Europe into a number of managerial cultural clusters. According to Hickson and Pugh (1995) there are four main cultures within the pan-European model of management:

1- 'The Anglos' (Britain and Ireland).

The key features of this management culture are the follows:

- Organization is run impersonally
- Organization outlasts individuals and forms a stable institution to support economic growth.
- The Anglos' culture does not give much concern to personal relationships, favoritism, and family responsibilities.

2- The Latin European countries (Southern Europe).

The Latin management culture has many similarities with Arab management such as: - Personal approach to management

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- Personal relationships matter
- Managers are authority conscious and lean to centralization.

3- The Northern European countries, which include, Germany, Sweden, Denmark, Finland, the Netherlands and Switzerland.

The management features in this area characterized with the follows:

- Employees are involved in decision-making.
- Organizations are lean to decentralization more than centralization
- The social distance between levels of authority in an organization is smaller than Latin culture
- They appreciate formal communication channels rather than personal ones.
- Employees are bounded by their tasks and expertise required in their jobs.
- They perform management control by focusing on task achievement rather than procedures.

4- The East-Central European Countries.

This part of the world where the communist system of administration was the dominant, is beyond the scope of this research.

12.4 Management characteristics in Gaza's manufacturing establishments.

This part of the study will rely heavily on the findings of the empirical study, which was conducted solely for this research. In addition, results of previous studies on managerial features in Palestine will be brought in and compared with. Furthermore, the researcher will give extra attention to the distinctive features of Gaza's management.

This section consists of three sub-sections including, 1) Research questions, 2) Research hypothesis and 3) A comparison between Gaza's management and Western European management

12.4.1 Research Questions

Question 1, how employees consider their direct managers?

Table 2 revealed a semi-consensus among the sample of study (94%) that subordinates perceive their bosses as Godfathers. This result is attributed to Arab management culture as mentioned above (section 12.2). In addition, there are some other characteristics distinctive Gaza's managers, which are attributed to Arab or local culture. These characteristics include the follows:

	Frequency	Percent	Valid Percent	Cumulative Percent
Godfather	94	94.0	94.0	94.0
Ordinary person	4	4.0	4.0	98.0

Others	2	2.0	2.0	100.0
Total	100	100.0	100.0	

a- The great majority of research sample (Table 4) do not devote enough time for designing a strategic plan. Only 12% of research sample give time for designing strategies.

In addition, plans are overly ambitious, unrealistic, and in most cases prepared by unqualified persons who do not know much about the reality of the marketplace (El-Farra and Wakelam, 1999). All companies need to look ahead and develop long-term strategies to meet the changing conditions in their surrounding environments (Kotler and Armstrong, 1990). Experts insist that, “Sound planning helps the company to anticipate and respond quickly to environmental changes and to be better placed for sudden developments” (Kotler and Armstrong, 1990, p. 27).

Table 3- Characteristics of Gaza's Management Practices

Characteristics of Gaza's management	Mean	Std. Deviation	Sign Test
Top management concerns with competitors	3.3400	.9767	0.67
The company gives time for designing a strategic plan	2.5800	.8310	0.00
The top management spend most of its time dealing with daily activities	3.7800	.7599	0.00
Management concerns with improving machinery to develop and improve products	3.3600	1.1148	1.0
Management invest in machinery only when it becomes too costly to maintain	4.2000	.7247	0.00
Top management always takes all company decisions concerns	4.3600	.7456	0.00
The management always concerns with collecting information from surrounding environment	3.3000	.9482	0.5
Changing in company's plan or products often come from company top management	4.2000	.9211	0.00

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Table 4- The company gives time for designing strategic plan

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	2	2.0	2.0	2.0
disagree	54	54.0	54.0	56.0
medium	32	32.0	32.0	88.0
agree	8	8.0	8.0	96.0
strongly agree	4	4.0	4.0	100.0
Total	100	100.0	100.0	

b- Table (5) revealed that 76% of Gaza's managers spend most of their time in dealing with daily activities. They make incremental decisions, which give them less time to focus on the strategic issues. This behavior is probably attributed to the lack of delegation and limited involvement of subordinates in decision-making. In addition, Table (6) revealed that only 34% of research sample consult related management levels before making decisions. Furthermore, Table (3) showed a consensus among sample of study that Gaza's top management always take most decisions concerns the company, where the mean was high (4.36) and sign test was significant (0.00).

c- Top management has an average concern (3.4) with competitors (Table 3). In addition, the sign (0.67) test revealed that this factor was insignificant for Gaza's managers.

d- The quality of machinery and equipment plays an important role in a company's competitiveness. DRC (1997, p2), described the technology used in the manufacturing industry in Palestine as 'informal' technology. Informal, because the technology used was not selected on the basis of objective factors such as the cost of machinery, running costs, machinery life cycle, investing in new technology to maintain or improve competitiveness, market absorptive capacity and availability of skills, (DRC, 1997). Instead the technology was chosen on an opportunistic basis (El-Farra and Wakelam). This was supported by the findings of this study. Table 3 indicated that there was an average concern (3.36) from Gaza's management in investing in new machinery for the sake of product quality and development. In addition, the sign test (1.0) revealed that investing in new technology to improve and develop products was insignificant to Gaza's management. Furthermore, Table 3 revealed that there is a consensus among the research sample (4.2) that, Gaza's management invest in new technology only when it becomes too costly to maintain. The sign test for this factor was significant

(0.00).

Table 5- Gaza's top management spend most of its time dealing with daily activities

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	2	2.0	2.0	2.0
disagree	4	4.0	4.0	6.0
medium	18	18.0	18.0	24.0
agree	66	66.0	66.0	90.0
Strongly agree	10	10.0	10.0	100.0
Total	100	100.0	100.0	

Table 6- Decisions are taken after consulting relevant management levels

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly disagree	8	8.0	8.0	8.0
disagree	34	34.0	34.0	42.0
medium	24	24.0	24.0	66.0
agree	24	24.0	24.0	90.0
Strongly agree	10	10.0	10.0	100.0
Total	100	100.0	100.0	

Question 2, is there an encouragement to the employees at your establishment for innovation and initiation in order to develop work performance?

Following from the previous question, Table 7 revealed that, the great majority of the sample of study (92%) said that subordinates were rarely or never encouraged to innovate or initiate at work. However, 8% said that managers sometimes encourage their subordinates to initiate at work. This characteristic is probably attributed to local Arab culture, which, marked with authoritarian style of

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management. Gaza's managers lean more towards an authoritarian style of leadership. There is almost no delegation of power to subordinates. Managers tend not to listen to the opinions of others. Although the great majority of industrial establishments employ relatives and friends, managers have little confidence or trust in their subordinates. Table 8 indicates that 84% of research sample believes that there is a low trust between subordinates and managers. While 16% said of no trust at work between managers and subordinates.

Table 7- Degree of management encouragement to subordinates to innovate or initiate

	Frequency	Percent	Valid Percent	Cumulative Percent
Sometimes	8	8.0	8.0	8.0
Rarely	58	58.0	58.0	66.0
Never	34	34.0	34.0	100.0
Total	100	100.0	100.0	

Table 8- Degree of trust between managers and subordinates

	Frequency	Percent	Valid Percent	Cumulative Percent
Low trust	84	84.0	84.0	84.0
no trust	16	16.0	16.0	100.0
Total	100	100.0	100.0	

Question 3, what is the degree of management commitment to decisions made at the establishment?

According to the fieldwork conducted by this study, Gaza's managers have similar features as Arab managers. Most made-decisions are renegotiable. Table 9 pointed out that 68% of research sample said that, all made-decisions are renegotiable. Only 32% said that when decisions are made, they are fully implemented.

	Frequency	Percent	Valid Percent	Cumulative Percent
Fully implemented	32	32.0	32.0	32.0
renegotiable	68	68.0	68.0	100.0
Total	100	100.0	100.0	

Question 4, what is the common criterion used to evaluate employees performance at your establishment?

Table (10) shows that 88% of research sample believes that personal relations is predominant criteria in judging employees performance. In addition, 12% said that objectives achievement is the basis used for performance evaluation at work. These results were against the consensus among management scholars, who believe that if evaluation criteria were unfair or unclear, employees would be discouraged to be highly productive or even continue working with the company (David, 1999). The lack of fair evaluation criteria in Gaza's industrial establishments may be contributed to the high absenteeism rates and a high turnover of labor at Gaza's industrial establishments (El-Farra and Wakelam, 1999).

	Frequency	Percent	Valid Percent	Cumulative Percent
Personal relations	88	88.0	88.0	88.0
Objectives achievement	12	12.0	12.0	100.0
Total	100	100.0	100.0	

Question 5, how does company usually recruit its employees?

Table 11 reveals that the great majority (70%) of companies prefer relatives and friends in employment. While, 30% of the establishments recruit their employees through advertising without considering kinship and relatives. The phenomena of preference of relatives and friendship in employment at Gaza's industrial establishments could be attributed to two main factors as follows:

- a. Lack of specialization at work, lack of division between ownership and management, and between management and production (El-Farra and Wakelam, 1999). In addition, the great majority of Gaza's establishments

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are family owned and managed and over 90% of them are of small size (Nofal, 2001).

b. The nature of Arab culture, which characterized with the importance of kinship ties and nepotism.

	Frequency	Percent	Valid Percent	Cumulative Percent
relatives and friends	70	70.0	70.0	70.0
Advertising	30	30.0	30.0	100.0
Total	100	100.0	100.0	

Question 6, How do you grade the value of time at your establishment:

According to the fieldwork of this study, the great majority of Gaza's managers do not value the time. Table 12, revealed that 74% of research sample do not value time and they were not punctual to appointments. Abuznaid (1995) in his research on socio-cultural pressures on the West Bank managers⁶ classified the low value given to time in the West Bank as a constraint, which he believes is largely outside management control. Admittedly, when wages are low, time is less important than in high wage situations. But even so, according to Abuznaid (1995), 51.5% of the managers interviewed in the West Bank complained about the lack of concern for time. Abuznaid attributed the lack of exactness and punctuality to the Arab culture as well as the Israeli practice of stranding travelers at the military checkpoints, and the imposition of curfews. Abuznaid said “The traditional Arab believes that he only receives what God has allocated and promised him, no matter how hard he works to attain his goals” (1995, p. 46). However, it has been mentioned in several parts in the Qura’an and Sunnah that the best among you is he who works hard and fulfils his promise otherwise he will be classified as a hypocrite.

	Frequency	Percent	Valid Percent	Cumulative Percent
sometimes	26	26.0	26.0	26.0
rarely	74	74.0	74.0	100.0
Total	100	100.0	100.0	

12.4.2 Research Hypothesis

Hypothesis one: There is a positive correlation between the size of Gaza's industrial establishments and their managerial characteristics and behavior

Gaza's manager like any other manager performs the same management functions of planning, organizing, directing and controlling. However, the amount of time invested and methods used to perform these functions differ. Organizational size, line of business, and the surrounding socio-political environment are important factors that may help in interpreting the distinctive Gaza's management behavior. Moreover, there are numerous ways of classifying industrial organisations in terms of size. The most common ways are; the number of employees, size of sales and size of invested capital. Any or all of these standards may be applied in measuring the size of industrial organisations (El-Farra, 1998).

Table (13) indicates a significant correlation between the size of Gaza's industrial establishments and management behavior and attitudes in the examined establishments. Some of these correlations are the follows:

- a. Positive and significant correlation at rate (0.618) is found between company size of employment and its management concern with competitors (Table 13). This indicator means that large-scale industries are more sensitive to competition than small-scale ones. This probably attributed to the ability of large-scale establishments to collect data, prepare plans, and make action (not reaction) to phase existing and potential competition. However, most of Gaza's establishments are small. Table (14) shows that 66% of industrial establishments employ 10 persons or less. While, 34% recruit between 11-30 persons. Since the great majority of Gaza's industrial establishments are small, they intend not to prepare a plan. This result was proved by the findings of the empirical study of this research. Table (4) indicated that only 12% of industrial establishments designated time for designing a strategy. In addition, Table (3) revealed that the value of the mean (2.58) to this factor was low. Furthermore, Table (13) exposed positive and significant correlation (0.518) between company size of employment and the amount of time the company devote for designing a strategic plan.

Positive and significant correlation (0.652) is found between company Size of sales and company size of capital (Table 13). This correlation means that organisations of large capital size are more able to generate sales and probably profit at last. Table (15) indicated that the capital size of 60% of Gaza's industrial establishments was \$100000 or less. In addition, the size of annual sales of 62% of Gaza's industrial establishments ranged between \$20000 and \$60000 (see Table 18). The previous two indicators revealed, low turnover of capital and sales. This problem may be attributed, to the bad managerial practices, and to the overall economic crisis in the Gaza Strip because of the *Intifada*, which was started since 28 September 2000 till now. Some of the economic figures during the *Intifada* revealed that the poverty rate was expected to reach 50% at the Palestinian

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territories by the end of 2001 (O'Sullivan, 2001).

b.

Table 13 - Correlations between variables of study by using Pearson test

Variables correlations	Correlation coefficient
Positive correlation between company size of employment and its management concern with competitors	0.618
Positive correlation between management years of experience and its concern with competitors	0.652
Positive correlation between company size of sales and company size of capital	0.521
Positive correlation between company size of employment and the amount of time the company devote for designing strategic plan	0.518
Positive correlation between company size of capital and management opinion that investing in machinery was to improve and develop products	0.615
Positive correlation between company size of sales and its management opinion that investing in machinery was to improve and develop products	0.519
Positive correlation between company size of capital and management opinion than training helps in reducing company cost	0.588
Positive correlation between company size of capital and the level of qualification of management	0.589
Positive correlation between company size of employment and the degree of trust between managers and their subordinates	0.608
Negative correlation between the value given to time and the degree of trust between managers and subordinates	-0.736

Table 14- Establishments' number of employees

Employees number	Frequency	Percent	Valid Percent	Cumulative Percent
5-10	66	66.0	66.0	66.0
11-30	34	34.0	34.0	100.0
Total	100	100.0	100.0	

c.

Positive and significant correlation at rate (0.615) is found between company size of capital and management opinion that investing in machinery was to improve and develop products (see Table 13). In addition, there was a positive and significant correlation at value (0.519) between company size of sales and its

management opinion that investing in machinery was to improve and develop products. Furthermore, there was a positive and significant correlation at rate (0.588) between company size of capital and management opinion that training helps in reducing company cost. The significant correlations between the size of industrial establishments and managerial attitudes concerning; investing in new technology for the sake of improving quality and productivity, designing a strategy, and the attitudes towards the importance of training, revealed that Gaza's managers are inclined to be more tactical than strategic. In addition, they lack a comprehensive vision towards business environment. This conclusion is drawn on the ground that the great majority of Gaza's establishments are of small size (Nofal, 2001).

Capital size	Frequency	Percent	Valid Percent	Cumulative Percent
20000-49000	28	28.0	28.0	28.0
50000-100000	32	32.0	32.0	60.0
100000+	40	40.0	40.0	100.0
Total	100	100.0	100.0	

- d. Positive and significant correlation at rate (0.589) is found between company size of capital and the level of qualification of management (Table 13). This correlation revealed that higher educated managers were probably more able to generate fund and fulfill the financial institutions' conditions. However, only 26% of Gaza's managers were holding a university degree (see Table 16). In addition, the limited financial ability of Gaza's industrial establishments can be seen from Table (17) where, 76% of industrial capital came from private personal sources, which is usually limited.

Education level	Frequency	Percent	Valid Percent	Cumulative Percent
less than secondary	20	20.0	20.0	20.0
secondary	50	50.0	50.0	70.0

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diploma	4	4.0	4.0	74.0
first degree	22	22.0	22.0	96.0
post graduate	4	4.0	4.0	100.0
Total	100	100.0	100.0	

Table 17- Establishments' Sources of Capital

Source of Capital	Frequency	Percent	Valid Percent	Cumulative Percent
personal	76	76.0	76.0	76.0
loan	22	22.0	22.0	98.0
Mixed	2	2.0	2.0	100.0
Total	100	100.0	100.0	

- e. Positive and significant correlation at rate (0.608) is found between company size of employment and the degree of trust between managers and their subordinates. This result is logic. Since, large organizations are obliged to delegate power to subordinates. Because of heavy responsibilities and duties rest on the shoulders of the establishments' managers. As a result low supervision should be maintained. While, small-scale establishments tend to be more centralized and most decisions are rested in the hands of the top management. As a result close supervision was maintained.

Hypothesis two: There is a negative correlation between the value given to time and degree of trust between managers and subordinates.

This hypothesis was proved at rate (-0.736) through the empirical study as shown in Table (13). In Western management culture (the blue culture), trust between managers and subordinates increase, based on the level of achievement, performance and work commitment. However, in the case of the Gaza Strip the situation is different. Loyalty and status are valued over efficiency. In addition, managers act as Godfathers to their subordinates. They request workers sometimes to work unpaid overtime. In return, management does not insist on strict time keeping, even though it would like to (El-Farra and Wakelam, 1999). For further details on the value of time in Gaza's industrial establishments see question 6.

Sales (in 000\$)	Frequency	Percent	Valid Percent	Cumulative Percent
20-30	28	28.0	28.0	28.0
40-60	34	34.0	34.0	62.0
70 or more	38	38.0	38.0	100.0
Total	100	100.0	100.0	

12.4.3 A comparison between Gaza's management and Western European management

We could draw from the empirical study on Gaza's management characteristics and the literature review on Western management aspects, the distinctive characteristics of each approach⁷. Table 19 manifested that each approach has its own managerial characteristics. However, no one can argue that certain management approach is better than another. Whereas, there are many successful cases in the Gaza Strip, in the Arab world, and elsewhere. Nevertheless, cultures can learn from each other. Some cultures may be strong in some management aspects and weak in others.

Table 19 Managerial characteristics in the Gaza Strip and western European blue culture

Managerial aspects	Gaza Strip	Western European blue culture
Criteria of evaluation	Seniority, position and status significantly outweigh ability and performance. Loyalty is valued over efficiency	Employees are objectives driven not people driven. There is a transparency in dealing with individuals and procedures. Managers are task focused not relationship focused
Decision making	Most decisions are made at top level in the organization	There is power sharing and decision are made cross managerial levels
Level of centralization and decentralization	Centralization and authoritarian style of management is predominant	Organizations lean to decentralization more than centralization
Delegation	Managers decline to delegate power to subordinates	Managers prefer to delegate power to subordinates

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Running the organization	Organization is run personally	Organization is run impersonally
Strategic approach	Management is reactive (not active) and concern more with every day activities	Management is active and strategic oriented
Institutionalization	Individuals are irreplaceable and organizations are personalized	Easy and replaceable individuals and they concern with creating institutions
Implementing decisions	Most decisions and commitments are renegotiable at a later time	When decisions are made they should be implemented
Degree of innovation and initiation	Innovation and risk taking are activities which are discouraged	They encourage subordinates for innovation and initiation
Time value	Punctuality and time constraints are of much less concern	Time and appointments should be rigidly followed and respected.
Level of trust	Organizations are characterized by low level of trust, closed information systems and low levels of disclosure of organization members	Organizations are marked of high level of trust between subordinates and managers

Source: Findings of the Empirical study of this research; Laurent, 2000; Weir, 1993; Hickson and Pugh 1995.

13- Conclusions

This study highlighted four distinctive approaches of management including, American classical school, Japanese approach, European model and Arab management approach. The study focused on Gaza's management characteristics. In addition, a comparison was drawn between Gaza's management aspects, and Western European management that belong to blue culture. The researcher relied heavily on the empirical data in order to examine the managerial characteristics of Gaza's managers. While, Western European management approach, was investigated through reviewing the findings of previous studies.

The findings of this research pointed out that the characteristics of Gaza's management were to a certain extent similar to Arab management. However, Gaza's management has some characteristics different from Arab ones. These differences were attributed to the difference in the local economic and social aspects and to the difference in organizational cultures.

The empirical study on Gaza's management features reflects the following:

Gaza's managers perceive their bosses as Godfathers. Most Gaza's managers do not devote enough time for designing a strategic plan. In case of setting up a plan, it is overly ambitious and unrealistic. In addition, Gaza's top management spends most

of their times dealing with daily activities, which give them less time to focus on strategic issues. Moreover, Gaza's managers lean to centralization. They prefer not to delegate power to their subordinates, despite the great majority of the establishments employ relatives and friends.

Personal relations are the common criteria in evaluating employees performance. Loyalty and status are valued over efficiency. Few of Gaza's managers consider objectives achievements as the basis for performance evaluation at work. The great majority of Gaza's managers do not value time, and they are not punctual to appointments.

There is a correlation between the size of establishment and their managerial behavior. Large-scale industries are more sensitive to competition. They tend to designate time for designing a strategy. In addition, in large-scale organizations the degree of trust between management and subordinates increase.

The comparison between the managerial characteristics in the Gaza Strip and Western European countries exposed significant differences between them. Employees in Europe are objectives driven. In addition, managers are task focused not relationship focused as the case in Gaza. European organizations are run impersonally, while in Gaza, organizations are run personally. Employees and managers are easy to replace in Western organizations, but in Gaza's organizations, they are irreplaceable. Western managers encourage subordinates for innovation and initiation. In addition, organizations in Europe are marked with high level of trust between management and subordinates.

Recommendations

Gaza's managers should think globally and act locally. They have to be visionary managers by thinking how to be competitive. Managers should consider local cultures wherever they operate, which is the engine of success. Clash with culture would make organizations fail. In addition, cultures should learn from each other to enhance their success. Gaza's managers should learn from blue culture management in how to run their organizations impersonally. They should learn how to empower their subordinates and provide incentives to them, to increase initiation and innovation at organizations.

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Appendix 1 Questionnaire

Dear manager

This questionnaire aims to examine the managerial characteristics in Gaza's industrial establishments. Your cooperation is highly appreciated and it will contribute to the development of scientific research in Palestine. In addition, the confidentiality of the information, which, will be collected through this questionnaire, will be highly considered.

Thank you for your cooperation

The researcher

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Part one: Personal information

Please choose the right answer:

1- Your current work at the establishment:

General Director	Manager	Administrative employee	Employee

2- Level of qualification:

Less than secondary level	Secondary level	Higher diploma	University degree	Postgraduate degree

3- Place of study:

Palestinian Uni.	Arab Uni.	Foreign Uni.	Did not attend

4- Years of experience at the current work:

1-5 years	6-10 years	More than 10

Part two: Information about the establishment

1- Age of the establishment:

1-3 years	4-7 years	8 years

2- Legal status of the establishment:

Public limited	Private Limited	Partnership	Other

3- Source of capital:

Personal	Loan	Mixed (personal & loan)

4- Size of capital in US\$:

10000-19000	20000-49000	50000-100000	More than 100000

5- Size of annual sales in US\$

30000-40000	50000-60000	70000 or more

6- Size of employees at the establishment:

5-10 persons	11-30 persons	More than 30 persons

7- What does employees mean to you?

Cost and burden on the establishment	Important & main element	Important as machine
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Part two: Information related to managerial characteristics

Questions	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1- The management gives high consideration to competition					
2- The management gives sufficient time to strategic planning					
3- The company has long term plan 3-5 years					
4- The management gives most of its time to company's every day activities					
5- Management introduces improvement to machinery in order to improve product and productivity					
6- The management gives more concern to machinery in production operation than human resources					
7- Company only invest in new machinery when maintenance becomes too costly					
8- When management makes decisions it consults lower management levels					
9- When introducing new product, the company usually prepares special plan					
10- Top management always makes decisions solely					
11- Cost is determined by market factors only					

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12- The company copies competitors when prepares plan to new products					
13- Management usually neglects newly emergent problem					
14- The management gives concern to collect information from surrounding environment					
15- The management relies solely on its experience to get the necessary information					
16- Training helps in reducing production cost					

Part two: Information related to managerial characteristics (continue)

Questions	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
17- Government's policies and decisions contribute to company cost rising					
18- When certain problems arise (e.g., sales decline) the company usually has previous indicators					
19- Company director is the one who performs change in company products					
20- Solving any company changes usually happens after having a collective information from surrounding environment					

Part three: Information related to managerial characteristics (continue)

1- How do you consider your direct manager

1. the Godfather of the subordinates	2. Ordinary person	3. Others (specify)
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2- In case of performance evaluation and work achievement, the management gives consideration to:

1. Personal relations	2. Objectives achievement	3- Others (specify)
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3- When decisions are made at organization:

1. It should be implemented with no questioning	2. Mostly decisions are renegotiable	3. Others (specify)
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4- Is there encouragement to employees for innovation and initiation in order to develop work performance?

1. Always	2. Sometimes	3. Rarely	4. Never
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5- How do you evaluate the degree of trust between manager and subordinate?

1. High trust	2. Low trust	3. There is no trust
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6- How company recruits employees?

1. Selecting from relatives and friends	2. Through advertising at national media to all potential candidates	3. Through other resources (indicate)
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7- The management gives value to time and appointments:

1. Always	2. Sometimes	3. Rarely	4. Never
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References

⁽¹⁾ The PNA was established since 1994 after the signing of transitional agreement between Israel and the PLO.

⁽²⁾ Islam is the religion of the great majority of the population in the Arab world and the religion of 96% of Palestinian population in the territories.

⁽³⁾ It is debatable almost in all nation states in the world whether there is enough cultural unity or not.

⁽⁴⁾ Though there are some common features between the green cultures' organizations, the Arab management is still characterized with some distinctive features. These features are attributed to Islam, local Arab culture, and Arab socio-economic and political conditions (see section 12.2 above).

⁽⁵⁾ The management features in the green culture will not be mentioned. Because, it is beyond the scope of this study. In addition, Arab management features were mentioned above.

⁽⁶⁾ West Bank is part of Palestine territories. It shares Gaza Strip similar culture and values.

⁽⁷⁾ The European approach of blue culture management was considered in the comparison (see section 12.3).