Strategic Environmental Scanning: an Approach for Crises Management

Youssef M. Abu Amuna, Mazen J. Al Shobaki, Samy S. Abu Naser

Faculty of Engineering and Information Technology, Al-Azhar University, Gaza, Palestine
Email: yabuamuna@gmail.com, mazen.alshobaki@gmail.com, abunaser@alazhar.edu.ps

ABSTRACT

The study aims to analyze the relation between strategic Environmental Scanning and crisis management in UNRWA - Gaza Strip field - Palestine. Several descriptive analytical method used for this purpose, and a survey as a tool for data collection. Community population was (881), and the study sample was stratified random (268). The overall findings of the current study show that strategic Environmental Scanning is conducted in UNRWA and has a stoical relation with crises management. This relation is weak and need to be strengthen especially during and after the crisis. The study suggest that strategic Environmental Scanning must be conducted permanently for external and internal environment to help UNRWA developing its strategic planning and to be prepared to deal with potential crises in the future.

Keywords: Strategic Environmental Scanning, Crises Management, UNRWA

1. INTRODUCTION

In today’s organizations environment, a complex political, social, economic, technological and cultural changes is order of the day. Any organization that is not aware of its environment is bound to run into some crises that will definitely arise from the increasing complexity of the environment in which such organization operates. Environmental scanning is the tool used in analysis of the environment and its effectiveness depends on some underlying factors.

Opportunities and threats changing by an ongoing basis, not just the external environment of the organization, but also their interior environment. This change put the organization in a tough mission that require a fast adoption and cope with the external and internal environment to ensure survival and achieve their goals, otherwise it will be doomed to finish and disappearing.

According to the rapid changes in the internal and external environment, the need for a strategic environmental scanning process increased. The scanning process for the internal and external environment in light of the vision, mission and clear objectives of the organization is essential. Strategic and operational plans for the organization are important to success and survival.

Crisis has also become a key feature also of contemporary organizations under this dynamic environment, and these crises threaten the continuity of the organization, survival and the ability to continue providing their services. Also crisis put organizations reputation and image in the community at stake, if those organizations not able to deal with crises through the effective management of the different stages of the crisis either before, during or after the fact.

NGOs are no different from the rest of the business organizations according to that, the objective of this study is to examine the impact of UNRWA top management support for strategic environmental analysis on crisis management.

The study raises the question of:

1. Does strategic Environmental Scanning used as an approach for crises management in UNRWA?
2. To which extent crisis management practicing in the UNRWA (before, during, after)?

2. LITERATURE REVIEW

Palestinian environment is unstable and unsecure with all means. Also suffer from the ongoing blockade and a lot of crisis. The international relief agency “UNRWA” in Gaza practiced strategic planning; there are shortcomings in dealing with crises.

Microfinance program for SMEs has been reduced by 15% in 2012, teaching level is collapsing in dramatic way cause of extra students' number with shortage in facilities. Unemployed percent were 60% for youth in 2014 which represent the highest in the world.

Crisis management in such changing environment is so difficult and without using multiple methods for treating with the crises, it will be a disaster. Strategic environmental analysis is an approach used to help top management in predicting and dealing with issues according to current, past and future accidents.

3. STRATEGIC ENVIRONMENTAL SCANNING

3.1 External environment:

Environmental scanning is integral to the study of business strategy and organizational theory. It is vital to the practice of business in for-profit and nonprofit organizations.

The success and the failure of many companies depend on the factors which affect their activities. Without taking into account the impact of environmental factors, it is not possible to plan a good strategy or to manage profitable
business. The external environment analysis refers to the factors that are outside the influence and control of the organization (Pulaj & Pulaj, 2015).

It should be an important part of the decision making process and developing process of competitive strategies. The intensive changes of business conditions are an important fact that the organization operates in a competitive environment characterized by dynamics and complexity (Beal, 2000).

Environmental Scanning is the acquisition and use of information about events, trends, and relationships in an organization's external environment, the knowledge of which would assist management in planning the organization's future course of action (Wambua & Omondi, 2016).

3.2 External environment:

Organizations scan the environment in order to understand the external forces of change so that they may develop effective responses which secure or improve their position in the future. It is actually done to avoid surprises, identify threats and opportunities, gain competitive advantage and improve long-term and short-term planning (Wambua & Omondi, 2016, Agbim & Idris, 2015).

External factors influenced environmental scanning such as environmental turbulence and resource dependency, organizational factors such as the nature of the business and the strategy pursued, information factors such as the availability and quality of information, and personal factors such as the scanner's knowledge or cognitive style (Wambua & Omondi, 2016, Bhardwaj & Kumar, 2014).

It is essential matter to conduct external Environmental Scanning to understand the environment in which an organization functions. Organization has no influence on the external environment and it is not possible for it to monitor and control the variables in the external environment, but when the organization conducts environmental scanning, it has the opportunity to respond rapidly to challenges in a timely and effective manner (Toit, 2016, Toivonen & Viitanen, 2016).

External environment factors can be grouped as follows:

1- **Political environment**: The legal framework has a huge influence on the way it regulates business activity, purchasing power of consumers and other businesses. It includes all laws and legal regulations and policy framework refers to the relational system created between political power and business (Wambua & Omondi, 2016, Pulaj & Pulaj, 2015).

2- **Economic environment**: Economy has a significant impact on the organization strategy. Also, the level of economic development has a direct impact on the factors which compose this environment. According to Richard & Colin (2005), factors like income growth, saving/debt rate, consumer spending pattern, inflation, etc. all are important when conducting external analysis.

3- **Social environment**: Social factors include beliefs, values, attitudes, opinions and lifestyles of individuals as part of the external environment of the company. Social forces are dynamic and in a continuously process of change as a result of the individuals’ efforts to fulfill the desires and needs controlling and adjusting external environmental factors (Toivonen & Viitanen, 2016, Pulaj & Pulaj, 2015).

4- **Technological environment**: Technological factors include government spending on research and development, the focus on technological development of industry, innovation, production technology, etc. (Toit, 2016, Wambua & Omondi, 2016).

5- **Information and knowledge environment**: This change is the increased speed at which the accumulation of knowledge, production, employment of knowledge and cognitive activities of production, with increasing in the added value resulting from. (Abu Naser et al., 2016, Toit, 2016, Wambua & Omondi, 2016, Bhardwaj & Kumar, 2014).

3.4 Internal environment:

Internal environment represents subsystems that form organization system and have a direct and powerful effect on the activity of the organization and the level of performance.

The internal environment is a corporate environment that is in the organization band normally has direct and specific implications on the company. Owners / managers of companies should look into the company to identify internal strategic factors, namely the strengths and weaknesses that will determine whether the company is able to take advantage of existing opportunities while avoiding threats (Indris & Primiana, 2015).

Therefore, each organization has to choose the most suitable system by taking into account some variables such as strategy, objectives, structures, culture, technology, knowledge, etc.

The analysis of organization internal environment includes the resources, capabilities and competencies held by it, as the resources owned by organization is more important than the structure of the industry in gaining and sustaining competitive advantage (Hit et al., 2016, Pearce & Robinson, 2013) and Abu Naser et al. (2016).

The main important factors that form internal environment for any organization are grouped as follows:

1- **Resources**: Assets might be visible (tangible assets) include production facilities, raw materials, financial resources, and computers. Also it might be invisible assets (intangible assets) are included
in the brand, reputation, moral enterprise, technical knowledge, knowledge, patents, trademarks, and accumulated experience of the organization (Hit et al., 2016, Indris & Primiana, 2015, Pearce & Robinson, 2013).

2- Capability: Skills and the ability of combining assets, people, and processes that can be used by organization to transform inputs into outputs. Another great way to analyze the strengths and weaknesses of an organization. In this case the management theory describes how an organization checks strengths and weaknesses. Peters and Waterman created the concept of the seven S framework for analyzing the strengths and weaknesses of the organization (Indris & Primiana, 2015, Musran, 2010).

3- Organizational culture: Defined as the deepest level of basic assumptions and beliefs that are shared by members of an organization and considered to be one of the most stable and inertial factors in an organization. Consequently, changes in culture are often described as complex and part of a long process (Hit et al., 2016, Agbim & Idris, 2015, Musran, 2010).

4- Management style: The practices adopted by leaders in decision making, management of information, relationships, motivation and managing subordinates. Management style influences the level of delegation, the approach and time required to make decisions and the control of activities. Moreover, management style is considered to be one of the key aspects to understanding organizational culture (Beketova, 2016, Adnan, 2015, Indris & Primiana, 2015).

5- Organization structure: Represents the organizational hierarchy that determines the authorities, responsibilities, and activities that aim at achieving the desired objectives of the institution. Thus, the organization structure determines and divides the responsibilities, powers and functions, activities and authorities at various administrative hierarchies. In particular, the firm success depends basically on the good planning that designed for offering the administrative needs of the organization; as well as building an organizational structure based on the implementation of the administrative plans, official procedures and the distribution of tasks and powers in a way that leads to achieve the drawn goals of the institution (Sammoudi, 2016, Adnan, 2015).

Porter introduced an internal analysis method known as value chain analysis (value chain). Although there are many ways to analyze the internal environment, the simplest way to observe and analyze the internal environment is through functional analysis (Thomas & Hunger, 2012). The expertise and resources of the organization can be set to the appropriate competency profile business functions such as marketing, finance, research and development, operations, human resources, information systems, knowledge management and organization culture.

3.5 Crisis management

Crisis management involves quick decision-making in critical conditions, with the obligation of issuing a public report to the media. Crises therefore lead decision-makers into an urgent decision-making situation, with the obligation to minimize the potential consequences for a wide range of high-stake elements. There are many definitions for crisis management (Chollet et al., 2016). Jad Al-Rab (2010), Yamamoto & Sekeroglu (2011), & Panos (2013) define it as "Systematic attempt to define and identify potential crises, take action and measures to prevent and contain the impact and get rid of the effects".

Crisis management in the organization process passed through several stages represent each stage of them to deal with the crisis basis, although each of these phases is characterized by a kind of autonomy in dealing with them depending on the nature of each of its stages. The main goal remains to find a solution to the crisis and come out from it with minimal losses.

Sense of crisis and ignoring it is the first phase of the crisis because it is fast-moving, and vice versa, recognition, handling and treatment is the first stage of facing, treatment and reducing the negative effects.

(Yarmohammadian et al., 2016), (Abu Moamer, 2011), (Al-Saeed, 2011) and (Jad Al-Rab, 2010) classified crisis into three stages:

1- Pre-crisis: prevent the crisis and prepare for it.
2- Response: deal and respond to the crisis.
3- Post-crisis: improve preparedness for future crises and record the flow of information which happened during the crisis and take advantage of any future crisis.

Appropriate response toward the unexpected events requires providing facilities and suitable plans. Different societies always look for managing the damages of the unexpected events. Therefore, the organization’s manager always needs to be prepared to encounter the crisis and think to decrease the effects of crises on the organization (Yarmohammadian et al., 2016).

As the main aim of the crisis management plan is to provide the most appropriate services to most of injured people, it is necessary to develop a specified plan with scientific and precise management at all stages before, in progress and after crisis by taking precautionary actions, establishing the crisis management committee, education familiarizing the staffs, and doing the periodical maneuver to get prepared and facing the crisis, giving an appropriate response while the crisis occurs and taking actions for rebuilding after the crisis occurs. These actions should be
on the basis of the activities, strategies, knowledge and the crisis plans at the national level (Naghibosadat, 2008).

Therefore, the following main hypothesis for the study:

**H1:** There is a statistically significant relation between strategic environmental scanning and crisis management (before, during, after) in UNRWA- Gaza Strip.

And that leads us to the next sub-hypotheses:

**H1-1:** There is a statistically significant relation between strategic environmental scanning and before crisis in UNRWA- Gaza Strip.

**H1-2:** There is a statistically significant relation between strategic environmental scanning and during crisis in UNRWA- Gaza Strip.

**H1-3:** There is a statistically significant relation between strategic environmental scanning and after crisis in UNRWA- Gaza Strip.

4. **RESEARCH DESIGN**

<table>
<thead>
<tr>
<th>Dimension 1: Strategic Environmental Scanning</th>
<th>No. of statements</th>
<th>Dimension 2: Crisis Management</th>
<th>No. of statements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Before Crisis</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>During Crisis</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>After Crisis</td>
<td>6</td>
</tr>
</tbody>
</table>

A five-point Lekert scale of agreement was used for measurement, running from “Strongly Agree” to “Strongly Disagree”, with a Neutral category for scale midpoint.

4.3 **Validity and reliability assessment:**

The study adopted Cronbach’s α to measure the internal consistency reliability of the questionnaire. The results showed that Cronbach’s α values for all dimensions were > (0.5). It indicated that the design of the questionnaire had a high internal consistency.

4.4 **Statistical procedures:**

Several statistical tools were used for data analysis and hypotheses testing, including reliability Correlation using Cronbach’s alpha, “ANOVA”, Pearson Correlation Coefficient, and Scheffe.

5. **DATA ANALYSIS AND DISCUSSION OF RESULTS:**

T test used to examine the dimensions and hypotheses. The results of the analysis are shown in table 2.

<table>
<thead>
<tr>
<th>Index</th>
<th>Dimension</th>
<th>MA</th>
<th>MAR</th>
<th>SD</th>
<th>t</th>
<th>sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strategic Environmental Scanning</td>
<td>3.66</td>
<td>73.15</td>
<td>0.656</td>
<td>15.37</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>Before Crisis</td>
<td>3.31</td>
<td>66.30</td>
<td>0.694</td>
<td>8.69</td>
<td>0.000</td>
</tr>
<tr>
<td>3</td>
<td>During Crisis</td>
<td>3.66</td>
<td>73.11</td>
<td>0.581</td>
<td>17.28</td>
<td>0.000</td>
</tr>
<tr>
<td>4</td>
<td>After Crisis</td>
<td>3.42</td>
<td>68.34</td>
<td>0.557</td>
<td>7.49</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>TR for SD</td>
<td>3.48</td>
<td>69.66</td>
<td>0.491</td>
<td>15.08</td>
<td>0.000</td>
</tr>
</tbody>
</table>

For the first dimension (strategic environmental scanning), the sample agree with the existence of strategic environmental scanning as the mean acreage was (73.15%).

The second dimension (crisis management) has three sub-dimensions. The mean average for first sub-dimension (before crisis) was (66.30%) and for the third sub-dimension. Those results infer that strategic environmental scanning is not concentrating at crisis management for the period before and after crisis happened.

Second sub-dimension (during crisis) was (73.11%), this mean that the UNRWA treat well with crisis only
when it happened according to its strategic environmental scanning.

The hypotheses test shows that there is a weak static relation between strategic environmental scanning and crisis management with Pearson Correlation Coefficient (0.431). This finding is shown in Table 3.

<table>
<thead>
<tr>
<th>Top Management Support</th>
<th>Crisis</th>
<th>Correlation</th>
<th>Crisis Management</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before</td>
<td>During</td>
<td>After</td>
</tr>
<tr>
<td></td>
<td>0.485</td>
<td>0.238</td>
<td>0.350</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Pearson 0.430</td>
</tr>
</tbody>
</table>

Strategic environmental scanning is conducted in UURWA as the results shown how far the organization practices the strategic environmental scanning it will be able to deal with crises facing it is environment.

Also strategic environmental scanning is practicing in UNRWA; there is obvious weakness in dealing with crises. The authors refer that to the sequential crises passed out generally in the Middle East and in Palestine in particular.

6. CONCLUSION

UNRWA is a multi-service organization. It is role in the world is very operative, not just in Palestine, but it also serves millions of Palestinian refugees all around the world (Syria, Lebanon, Jordan). UNRWA human development and humanitarian services encompass primary and vocational education, primary health care, relief and social services, infrastructure and camp improvement, microfinance and emergency response, including in situations of armed conflict. With such responsibilities which been adopted since 1949, and with more than (5.3 M) refugee all over the world, and with a huge lack in finance and resources, crisis might form a real humanity disaster in the area.

Strategic Environmental Scanning in UNRWA as a Framework for crisis management must be enhanced and practiced wider.

Such organization cannot stop services cause of crises, to that one of it is basic priorities is to design a solid system to manage crisis before, during and after it happened.

The current study shows some weak in crisis prediction, which might be normal thing in ordinary organizations, but for UNRWA this issue must be solved so fast.

Strategic Environmental Scanning is not the only solution for crisis management, but it is the first step to preparing for the coming storm. Reliable and effective system that suits such huge organizations must do more Environmental Scanning, a solid strategic planning based on the conducted Environmental Scanning.

References


