# GOOD GOVERNANCE ROLES IN ORGANIZATIONAL EFFECTIVENESS OF NGOS, A BALANCE SCORECARD APPROACH-EVIDENCE FORM PALESTINE

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**Abstract** - The general objective of the study was to investigate the role of corporate governance practices on the organizational effectiveness of NGOs in Palestine, a survey of NGOs in Gaza strip, The study received 180 questionnaire with response rate 90% and this gave the study sufficient data that could be relied upon to generalize the respondents' opinions on effect of corporate governance practices on the organizational effectiveness of NGOs in Palestine. The study was able to book a majority (78%) of the respondents, that there is moderate to relatively high level of good governance among Palestinian NGOS, a majority (75%) of the respondents, that there is moderate to relatively high level of organizational effectiveness

**Index Terms** - Corporate Governance, Good Governance, Organizational Effectiveness, Balance scorecard, Non-governmental Organizational.

## I. INTRODUCTION

The Non-for-profit Governance may be referred to the relationship among the board of directors, top management, and the general assembly in determining the direction and performance of the NGO (Wheelen and Hunger, 2006). Governance is the process whereby organizations make important decisions, determine whom they involve and whom they render accountable This research study examine the role of healthy corporate governance in an organization. It looks into the factors necessary to achieve successes in relation to the Board of Directors of an organization; Roles and Responsibilities of a Board and Organization effectiveness of Palestinian NGOs, This research focuses on Corporate Governance in the Palestinian NGOs and it looks into ways in which mechanisms in relation to Good governance can be put into place to achieve prospected organizational effectiveness in order to achieve sustainability of these NGOs to continue its important and increasingly role in serving the Palestinian local community, The researcher will study the body of corporate governance in term ofits structure and relationships to organizational effectiveness of Palestinian NGOs from Board Members Perspective.

## II. LITERATURE REVIEW

### 2.1 Background

The purpose of this chapter is to review the literature in the area of Corporate Governance and Organizational Effectiveness through reading relevant literature and to establish a foundation for the knowledge base, this means revealing the established and generally accepted facts regarding NGOs Board Governance and its link to organizational effectiveness, (Amaratunga&Baldry, 2001; Creswell, 2003; Kumar, 2005; and Merriam, 1998).

### 2.2 Corporate Governance

Corporate governance is the set of processes, customs, policies, laws, and institutions affecting the way a corporation (or organization) is directed, administered or controlled. Corporate governance also includes the relationships among many stakeholders involved and the goals for which the corporation is governed, the principal stakeholders are the shareholders, management, and the board of directors. Other stakeholders include employees, customers, creditors, suppliers, regulators, and the community at large. (International Chamber of Commerce, 2006), Consistent with the above definition, Shleifer and Vishny (1997, p.737) state that "corporate governance deals with the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment."
The International Chamber of Commerce, 2006, provides a corporate-specific definition of corporate governance: "Corporate governance is the relationship between corporate managers, directors and the providers of equity, people and institutions who save and invest their capital to earn a return. It ensures that the board of directors is accountable for the pursuit of corporate objectives. And the corporation itself conforms to the law and regulation.

### 2.3 Good Governance

Good governance is a broad concept used by both international and local organizations to illustrate how organizations should be governed. Definitions vary, but there is a clear core of common public values, such as transparency, accountability, effectiveness,
and the rule of law, this the case in Palestine since, the absence of formal state and the important role of such NGOs in recovering the economic and social circumstances in Palestine, this study will spell out how the good governance will promote efficiency and increase the ultimate performance of Palestinian NGOS,

**2.4 NPOs The Board of Directors:**

Boards of directors are a crucial part of the corporate structure. They are the link between the people who provide capital (the shareholders) and the people who use that capital to create value (the managers). This means that boards are the overlap between the small, powerful group that runs the company and a huge, diffuse, and relatively powerless group that simply wishes to see the company run well (Business Roundtable, 2005).

(Monks and Minow, 2004).

Business Roundtable (2005) highlighted some significant points about that,

- The business of a corporation is managed under the direction of the corporation's board. The board delegates to the CEO — and through the CEO to other senior management — the authority and responsibility for managing the everyday affairs of the corporation. Directors monitor management on behalf of the corporation's shareholders. Making decisions regarding the selection, compensation and evaluation of a well-qualified and ethical CEO is the single most important function of the board.
- Directors bring to the corporation a range of experience, knowledge and judgment. Directors should not represent the interests of particular constituencies.
  and diligent oversight of a corporation's affairs.

**2.5 NGOs Organizational Effectiveness**:

Effectiveness as a measure of organizational success has for decades attracted scholarly attention across the social sciences. Among practitioners in the not-for-profit or non-governmental sector (NPO/NGO), the issue of effectiveness has recently taken on additional urgency because of increasing demands for accountability, transparency and financial responsibility (Brown 2008; Ebrahim&Weisband 2007 and Unerman&O'Dwyer 2006). Self-appointed watchdogs, such as Charity Navigator, offer their services to donors and regularly evaluate NPOs/NGOs primarily on financial performance metricsc.

## III. THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

### 3.1 Introduction

Recent corporate scandals such as Enron and WorldCom have raised public awareness towards the importance of good corporate governance, the cause of company failure is attributed to poor corporate governance and over the years, it has emerged as a global issue, Corporate governance structure ,the role and impact of the board on organizations performance and effectiveness, were studied by various scholars from a variety of theoretical perspectives, a number of competing theories, numerous governance theories have emerged from these disciplines including agency theory, stewardship theory, resource dependency theory, stakeholder theory, social contract theory and legitimacy theory. Corporate governance has become a topical issue because of its immense contribution to the economic growth and development of nations. The absence of good corporate governance is a major cause of failure of many well performing companies. Existing literature generally support the position that good corporate governance has a positive impact on organizational performance; OECD (2009), ACCA, (2008), Gompers et al, (2003).

### 3.2 Theoretical Perspective on Corporate Governance and Organizational Effectiveness

This study will assess the level of corporate governance and its role in Palestinians NGOs organizational effectiveness, the NGOs corporate governance were addressed by studying board roles and responsibilities as indication of good governance, and its impact on organizational effectiveness using the 4 balance scorecard perspectives as methodology to measure the organizational effectiveness ,

The motivation for focusing on the board of directors is as follows. First, corporate boards are one of the most important, internal corporate governance mechanisms that monitor and advise management in fulfilling the mandate to protect shareholder interests, For testing The above assumed relationship, the study addressed the board good governance theoretical and empirical perspectives , one of the most applicable tools for governance assessment was Governance Self-Assessment Checklist (GSAC). The GSAC was designed to assist boards of directors of nonprofit organizations to identify strengths and weaknesses in the governance of their organizations, educate board members about the essentials of good governance, and improve their governance practices.

#### 3.2.1Good Governance and Organizational Effectiveness

The Board roles and responsibilities of the NGO will indicate the level of good governance, based on a review of the literature including their own research, Herman and Renz (2002), offer conclusions related to the assessment of board performance and its relationship to effectiveness of nonprofit organizations. Which summarize as "Nonprofit organizational effectiveness is always a matter of comparison, It is multi-dimensional and Boards of directors can make a difference in the effectiveness of nonprofit, NGOs increasingly operate as part of networks of service delivery. Therefore, network effectiveness is becoming as important to study as organizational effectiveness.

Also, AllaGhalayani, (2007) studied the governance body in terms of its, structure and relationships to the management and development of Gaza's NGOs from

General Director Perspective, in order to assess the extent to which the good governance features exist in Gaza's NGOs, and Identify the level of good governance in Gaza's NGOs, also study the effect of board and organization characteristics, and the general director characteristics on the NGOs governance:

Much has been written on the core responsibilities of the nonprofit board, and no one list is universally applicable to all nonprofit organizations, The following summary reflects the list of the board responsibilities articulated by (Dwight Burlingame, 2004), so It is the board's responsibility to:

1. Determine and articulate the organization's mission, vision, and core values.
2. Recruit and select the organization's chief executive.
3. Support and assess the performance of the organization's chief executive.
4. Ensure that the organization engages in planning for its future.

First Main Hypothesis: H01. There is No significant correlation between the NGO governance and its components (board membership, board meetings and committees, policies and procedures, board leadership, financial management and control, and relationship with Chief Executive Officer)and organizational effectiveness (financial perspective, customer perspective, internal process perspective and learning and growth perspective).

## IV. RESEARCH METHODOLOGY AND DESIGN

The study is a descriptive analytical one since it will best achieve the objective of the research. The main objective is to study the good governance role in the organizational effectiveness of the NGOs in the Palestine, from the NGO Board members perspective. The research used types of data: primary and secondary sources. The primary source is mainly through using a questionnaire which was specifically designed for this study. The secondary sources include academic works such as articles, reports, books, special studies and other library housed material. The internet was also used to get recent information about NGOs governance.

### 4.1 Sample Selection

The objective of the study was to conduct an investigation of the corporate governance practices of NGOs in Palestine and their effect on organizational effectiveness, and the extent of adoption of corporate governance practices and adoption of balance scorecard perspectives in organizational effectiveness manners.

### 4.2 Research Population

The research population includes the big and active NGOs that are working in the Gaza Strip. The NGOs which employ 20 persons or more as full-time employees were considered. The Palestinian Ministry of Interior directory of Non-Governmental Organizations in the Gaza Strip (2013) had been used to determine the names, numbers and locations of NGOs that were considered in this research.

The directories showed 786 NGOs were registered in ministry of interior, after reeving the information of these NGOs there was 100 NGO Applicable for thepurpose of the study (Table 4.1).. Hence, the population size of the study was 100 organizations. The researchers contacted the 100 organizations, each organization had 2 copies of questioners targeted 2 of its board members, 90 organization from 100 had submitted their questionnaires. The response rate was 90%. Table 1 shows the categorization of the Gaza's NGOs by the number of full time employees.

### 4.3 Scale of Measurement

The researcher used quintet Likert scale to correct paragraphs of questionnaire, the correction according to five scale, and the answers are given as follows: strongly agree (5) degrees, agree (4), neutral (3), I do not agree (2), strongly disagree (1).

### 4.4 Content Validity of the Questionnaire

Content validity examines the extent to which the method of measurement includes all the major elements relevant to the subject being measured. The questionnaire was evaluated by 4 experts from the Islamic university and Al-Quds University, and from 2 NGO board chairman. The experts provided helpful comments on the questionnaire. Consequently, some questions were modified or removed while some others were added.

### 4.5 Statistical Validity of the Questionnaire

To insure the validity of the questionnaire, two statistical tests should be applied. The first test is Criterion-related validity test (person test) which measures the correlation coefficient between each item in the field and the whole field. The second test is structure validity test (person test) that used to test the validity of the questionnaire structure by testing the validity of each field and the validity of the whole questionnaire. It measures the correlation coefficient between one filed and all the fields of the questionnaire that have the same level of similar scale.

### 4.6 Internal consistency For Good Governance Measure.

To figure out the internal consistency, the researcher calculated the correlation coefficients between the degree of each dimension and the total degree of the measure, as well as the Pearson's correlation coefficient between the degree of each statement and the total score of its related dimension as follows in the tables:-

**Table (4.1) Correlation Coefficients between dimensions of board Good Governance and the total degree of the measure**

| Dimension | Pearson Correlation | p- value |
|---|---|---|
| Board of Directors Membership. | .776** | **0.001 |
| Board Meetings and Committees. | .823** | **0.001 |
| Policies and Procedures. | .898** | **0.001 |
| Board Leadership (performance). | .853** | **0.001 |
| Financial Management and Control. | .813** | **0.001 |
| Board relation with CEO. | .883** | **0.001 |

** P-value<0.01 * P-value<0.05 // P-value>0.05

The results in the previous table showed that the correlation coefficients for the total measure "Board Good Governance " and all its related 6 dimension are to be statistically significant correlated at a level of significance (p-value < 0.01), the correlation coefficients of the total measure and the dimensions are ranging between (0.77 - 0.89), this gives a clear evidence that the researcher can be sure how appropriate is the measure to be applied onto the total sample of the study, As the scale of Board Good governance has six dimensions, correlation coefficients have been computed between the statements of each of the dimensions and the total score for each dimension separately, this can be seen in the following tables:

**Table (4.2) Showed the Correlation coefficients between statements of the dimension "Good Governance" and the total degree of the dimension**

| Statement | Pearson Correlation | Statement | Pearson Correlation |
|---|---|---|---|
| Board of Directors Membership | | Board Leadership (performance). | |
| 1 | .706** | 1 | //0.293 |
| 2 | .745** | 2 | //0.265 |
| 3 | .506** | 3 | .691** |
| 4 | .628** | 4 | .773** |
| 5 | .576** | 5 | .738** |
| 6 | .537** | 6 | .609** |
| 7 | .816** | 7 | .783** |
| 8 | .327* | 8 | .590** |
| Board Meetings and Committees | | Financial Management and Control. | |
| 1 | .824** | 1 | .786** |
| 2 | .884** | 2 | .439** |
| 3 | .918** | 3 | .755** |
| 4 | .886** | 4 | .819** |
| 5 | .917** | 5 | .838** |
| 6 | .878** | 6 | .450** |
| 7 | .875** | 7 | .662** |
| 8 | .905** | 8 | .619** |
| Policies and Procedures. | | Board relation with CEO. | |
| 1 | .696** | 1 | .636** |
| 2 | .771** | 2 | .888** |
| 3 | .798** | 3 | .811** |
| 4 | .896** | 4 | .854** |
| 5 | .644** | 5 | .379* |
| 6 | .688** | 6 | .568** |
| 7 | .797** | 7 | .708** |
| 8 | .857** | 8 | .803** |

** P-value<0.01 * P-value<0.05 // P-value>0.05

The results of the previous table showed that the dimensions of (Good Governance) have a high correlation coefficients with each of its related statements, the significance was within a level less than 0.01, and this indicates that the six dimensions (good governance) and its related statements have a

high amount of validity, Except the statements 1&2 in the Board Leadership (performance) wasn't significant and may be eliminated.

**4.8 Reliability of Good governance measure.**

The reliability can be measured by both ways: Alpha Cornbrash's and the Spilt- half techniques, The researcher found the reliability of the overall measure "Board Good governance" by calculating the Cronbach's alpha coefficient (Nu. of items = 48); where the value of alpha = (0.97), and this indicates strongly that the measure has a high reliability amount, While the Cronbach's alpha coefficient coefficients for the six dimensions of the measure were ranging in between (0.65 - 0.93), so the researcher depend on this questionnaire to answer the study questions.

**1. Split half method:**

Pearson's correlation coefficient for the whole measure was (0.84), and the Spearman-Brown formula was (0.91), regarding half split the Constancy coefficient of Good governance dimensions of the measure were ranging in between (0.67 - 0.95), so the researcher depend on this questionnaire to answer the study questions, the following table showed the correlation coefficient and Spearman-Brown values of the whole questionnaire and its dimensions.

Table (4.3) Constancy coefficient by Cronbach's alpha values and half-split for the both measure and its dimension.

| No | Good governance measure | Cronbach's alpha | half- split | |
|---|---|---|---|---|
| | | | Person Correlation | Spearman-Brown |
| 1 | Board of Directors Membership | 0.67 | 0.47 | 0.65 |
| 2 | Board Meetings and Committees | 0.95 | 0.88 | 0.93 |
| 3 | Policies and Procedures | 0.87 | 0.8 | 0.89 |
| 4 | Board Leadership (performance). | 0.71 | 0.47 | 0.65 |
| 5 | Financial Management and Control. | 0.81 | 0.8 | 0.89 |
| 6 | Board relation with CEO | 0.81 | 0.74 | 0.85 |
| | Total Degree (Good Governance) | 0.97 | 0.84 | 0.91 |

**4.9 Internal consistency For Organizational Effectiveness Measure (BSC).**

To figure out the internal consistency, the researcher calculated the correlation coefficients between the degree of each dimension of organizational effectiveness (4 BSC Perspectives) and the total degree of the measure, as well as the Pearson's correlation coefficient between the degree of each statement and the total score of its related dimension as follows in the tables

**Table (4.4) Correlation coefficients between dimensions of Organizational Effectiveness and the total degree of the measure**

| 4 BSC Perspectives | Pearson Correlation | p- value |
|---|---|---|
| Financial Perspective. | .928** | **0.001 |
| Customer (Stakeholders) Perspective | .936** | **0.001 |
| Internal Process Perspective | .965** | **0.001 |
| Learning and Growth Perspective | .913** | **0.001 |

** P-value<0.01 * P-value<0.05 // P-value>0.05

The results in the previous table showed that the correlation coefficients for the total measure "organizational effectiveness " and all its related 4 perspectives are to be statistically significant correlated at a level of significance (p-value < 0.01), the correlation coefficients of the total measure and the perspectives are ranging between (0.91 - 0.96), this gives a clear evidence that the researcher can be sure how appropriate is the measure to be applied onto the total sample of the study.

As the scale of Board Good governance has 4 dimensions (perspectives), correlation coefficients have been computed between the statements of each of the dimensions and the total score for each dimension separately, this can be seen in the following tables:

**Table (4.5) Showed the Correlation coefficients between statements of the dimension "Organizational Effectiveness" and the total degree of the dimension**

| Statement | Pearson Correlation | Statement | Pearson Correlation |
|---|---|---|---|
| Financial Perspective. | | Internal Process Perspective | |
| 1 | .749** | 1 | .815** |
| 2 | .806** | 2 | .666** |
| 3 | .783** | 3 | .580** |
| 4 | .789** | 4 | .918** |
| 5 | .786** | 5 | .760** |
| 6 | .886** | 6 | .778** |
| 7 | .756** | 7 | .805** |
| 8 | .824** | 8 | .778** |
| Customer (Stakeholders) Perspective | | Learning and Growth Perspective | |
| 1 | .746** | 1 | .853** |
| 2 | .719** | 2 | .756** |
| 3 | .900** | 3 | .576** |
| 4 | .708** | 4 | .857** |
| 5 | .644** | 5 | .748** |
| 6 | .847** | 6 | .640** |
| 7 | .829** | 7 | .720** |
| 8 | .468** | 8 | .838** |

** P-value<0.01 * P-value<0.05 // P-value>0.05

The results of the previous table showed that the dimensions of (organizational Effectiveness) have a high correlation coefficients with each of its related statements, the significance was within a level less than 0.01, and this indicates that the 4 (BSC Perspectives) dimensions of (organizational effectiveness) and its related statements have a high amount of validity.

**4.9 Reliability For Organizational Effectiveness measure (BSC).**

1. **Cronbach's alpha**:

The researcher found the reliability of the overall measure "Organizational effectiveness" by calculating the Cronbach's alpha coefficient (Nu. of items = 32); where the value of alpha = (0.96), and this indicates strongly that the measure has a high reliability amount, While the Cronbach's alpha coefficient coefficients for the six dimensions of the measure were ranging in between (0.86 - 0.91), so the researcher depend on this questionnaire to answer the study questions.

2. **Split half method:**

Pearson's correlation coefficient for the whole measure was (0.87), and the Spearman-Brown formula was (0.93), regarding half split the Constancy coefficient of Good governance dimensions of the measure were ranging in between (0.73 - 0.93), so the researcher depend on this questionnaire to answer the study questions, the following table showed the correlation coefficient and Spearman-Brown values of the whole questionnaire and its dimensions.

**Table (4.6) Constancy coefficient by Cronbach's alpha values and half-split for the both measure and its dimension.**

| No | BSC 4 Perspectives | Cronbach's alpha | half- split | |
|---|---|---|---|---|
| | | | Person Correlation | Spearman-Brown |
| 1 | Financial Perspective. | 0.91 | 0.87 | 0.93 |
| 2 | Customer (Stakeholders) Perspective | 0.87 | 0.69 | 0.81 |
| 3 | Internal Process Perspective | 0.88 | 0.71 | 0.83 |
| 4 | Learning and Growth Perspective | 0.86 | 0.58 | 0.73 |
| 5 | Total Degree (Organizational Effectiveness, BSC) | 0.96 | 0.87 | 0.93 |

## V. DISCUSSION AND INTERPRETATION OF THE RESEARCH FIELD QUESTIONS

### 5.1 What's the level of Board Good Governance among NGOs in Palestine?

To answer the first question of the study and to recognize and measure the level of board good governance among Palestinians NGOs, hence the researcher calculate the means ,standard deviations and relative weights of good governance dimensions as shown in the table below:

**Table (5.1)The Means, Standard Deviations and Relative Weights of Good Governance Dimensions.**

| Good governance | No of statements | Total Degree | Mean | Standard Deviation | Relative Weight % | Rank |
|---|---|---|---|---|---|---|
| Board of Directors Membership | 8 | 40 | 31.0 | 3.3 | 77.6 | 3 |
| Board Meetings and Committees | 8 | 40 | 34.5 | 4.8 | 86.2 | 1 |
| Policies and Procedures | 8 | 40 | 30.5 | 3.8 | 76.2 | 4 |
| Board Leadership (performance). | 6 | 30 | 21.2 | 2.8 | 70.7 | 6 |
| Financial Management and Control. | 8 | 40 | 33.4 | 3.6 | 83.6 | 2 |
| Board relation with CEO | 8 | 40 | 29.9 | 3.6 | 74.7 | 5 |
| (Good governance) Total Degree | 46 | 230 | 180.5 | 16.8 | 78.5 | |

The above table results shows that the relative weight for total degree of NGOs board good governance in Gaza Strip is 78.5% with mean 180.5 and standard deviation 16.8, this indicate that the measure of board good governance principles is high, therefore the dimension Board meetings and committees is ranked as first more effective dimension with relative weight 86.2%, board financial management and control became the second with 83.6%,board membership is the third 77.6%, board policies and procedures is the forth 76.2%, board relations with CEO is the fifth with relative weight 74.7%, board performance leadership with relative weight 70.7% is the last effective dimension in board good governance measure.

The final results of good governance level in Palestinian NGOs considered is relatively high in its six dimensions that has been used in the study to address and measure the extent of NGOs board adoption of good governance principles, this also supported by study of Alghalayanee,2007 that uses these six variables and other variable to measure the level of good governance system in the Palestinian NGOs, it address the level of board good governance from NGOs general managers perspectives,

### 5.2 What's the level of Organizational Effectiveness among NGOs in Palestine?

To answer the first question of the study to recognize and measure the level organizational effectiveness among Palestinians NGOs, hence the researcher calculate the means ,standard deviations and relative weights of organizational effectiveness 4 BSC perspectives shown in the table below:

**Table (5.2)The Means, Standard Deviations and Relative Weights of NGOs Organizational Effectiveness BSC Perspectives .**

| Organizational Effectiveness BSC | No of statements | Total Degree | Mean | Standard Deviation | Relative Weight % | Rank |
|---|---|---|---|---|---|---|
| Financial Perspective | 8 | 40 | 33.4 | 3.6 | 83.4 | 1 |
| Customer (Stakeholders) Perspective | 8 | 40 | 29.4 | 3.8 | 73.5 | 3 |
| Internal Process Perspective | 8 | 40 | 30.0 | 3.5 | 75.0 | 2 |
| Learning and Growth Perspective | 8 | 40 | 28.3 | 4.1 | 70.7 | 4 |
| (Organizational effectiveness, BSC)Total Degree | 32 | 160 | 121.0 | 13.9 | 75.7 | |

The above table results shows that the relative weight for total degree of NGOs organizational effectiveness in Gaza Strip is 75.7% with mean 121.0 and standard deviation 13.9, this indicate that the measure of NGOs organizational effectiveness is high, therefore the financial perspective is ranked as first more effective BSC perspective with relative weight 83.4%, internal process BSC perspective became the second with 75%,customer (stakeholders) BSC perspective is the third 73.5%, learning and growth BSC perspective the forth and the last with relative weight 70.7% which considered the less effective perspectives in Palestinian NGOs.

The final results of organizational effectiveness level for Palestinian NGOs considered is relatively high in its 4 BSC perspectives that has been used in the study to address and measure the extent of organizational effectiveness NGO, meanwhile the financial

perspective effectiveness is the most important perspective in NGOs regarding the strict policy of donors and funder to compliance with its financial rules and regulations as conditions to continue the support and fund to those NGOs, Respectively that internal process perspective being more effective regarding upgrading and supporting these NGOs from the donors to build capacity to achieve sustainability.

## CONCLUSION AND RECOMMENDATIONS

The study in its final results indicate that the overall conclusion of this study indicate that there is significant statistical proportional relationship between NGOs board good governance with its 6 dimensions and NGOs organizational effectiveness with its 4 BSC perspectives, Palestinian NGOs board of directors are well governed and they have high degree of strategic involvement and achieve good governance, therefore The overall relative weight for the six aspects of the NGO good governance was 78.5% with mean 180.5, In addition Palestinian NGOs achieved a good degree of organizational effectiveness in its 4 BSC perspectives, the relative weight for total degree of NGOs organizational effectiveness in Gaza Strip is 75.7% with mean 121.0, this conclusion prove that the inclusion criteria of research sample was appropriate and credible to participate in the field research.

Regarding the NGOs Balance Scorecard, The measuring of the organizational effectiveness by using 4 balance scorecard perspectives indicate that Palestinian NGOs actually implement the BSC in its strategy of management and evaluation but without officially adoption of balance scorecard since strategies are critical to the success of nonprofit organizations (NPO) and non-governmental organizations (NGO), balanced scorecards represent the central management system for running the NGO, also the board itself must adopt Board Balanced Scorecard as strategic methodology and a corporate governance tool.

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