

CASE REPORT

# Managing a Non-Profit Organization: The Case of Arab Trading and Contracting Company

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## Abstract:

Under the current situation in Lebanon, it has become prudent for people and organizations to take the government position. Such organizations started initiating programs that help people in educational, living situating, and other forms of social aiding. Arab Trading and Contracting Company (ATC) was one of the pioneer's non-profit organizations (NPO) helping the Lebanese people through essential worldwide programs. ATC used a combination of managerial steps in addition to decentralized structure to cope with the needed requirements of sustainability. Moreover, ATC set a training & development and innovative strategy to assure the continuity of the organization. Finally, the case study stated the main strategy that ATC embraces, which is creating a for-profit organizations to fund its NPO.

**Keywords:** Non-profit Organization, Sustainability, Decentralization, Arab Trading and Contracting Company

## Introduction

Organizations are critical to human existence since they provide goods and services needed to improve the quality of life. The two primary organizations are for-profit and non-profit organizations that often engage in different business models as they provide goods and services to the consumers (Bill and Melinda Gates Foundation, 2021). For-profit organizations are motivated by delivering goods and services to consumers while they earn profits. Such organizations are influenced by the potential profits they are likely to realize from providing goods and services to consumers. Non-profit organizations adopt a different model of business. Non-profit organizations exist to provide goods and services to their clients though they do not seek any profit from the goods and services (Bill and Melinda Gates Foundation, 2021). Based on the business model built around not

seeking profit, the organizations must look for alternative forms of financing to continue providing goods and services. Non-profit organizations primarily get their funds from supporters and grantors who advance funds to the organizations freely without needing anything in exchange for the financial support provided (Suykens, De Rynck & Verschuere, 2018). Non-profit organizations are found across all countries globally though they play different roles in the respective countries. In the United States of America, approximately 1.4 million organizations are registered as non-profit, making the country one of the largest centers of non-profit organizations (Suykens, De Rynck & Verschuere, 2018). Furthermore, the United States is one of the most significant funding sources for non-profit organizations in the US and worldwide, where most non-profit organizations operate. In addition, the sector employs an estimated 10 million people in the US, highlighting its significant contribution to the economy of the US.

There are several types of non-profit organizations. The different types of non-profit organizations are tax-exempt since they often work towards activities designed to address the public's interest. All the income and assets from the non-profit organizations are continually reinvested into the organization or donated to other charitable activities where they are used in improving the quality of life for the different groups (Suykens, De Rynck & Verschuere, 2018). Depending on the non-profit organization's mission, membership, and structure under consideration, various forms of classification may be appropriate. In the United States, there are 27 different types of non-profit organizations, and each type has its set of rules relating to eligibility, lobbying, electioneering, and tax-deductible contributions. Public charities, foundations, social advocacy groups, and trade organizations are some of the most common types of non-profit organizations (Bill and Melinda Gates Foundation, 2021). Non-profit organizations are also divided into member serving, group serving, and public-serving. The classification is based on the specific group they are addressing their needs. The increasing humanitarian needs around the world increase the significance of non-profit organizations. Consequently, there is an increase in the number of non-profit organizations coming up each year as the world seeks to tackle existing and new challenges in different fields.

### *Statement of the problem*

Several factors often necessitate the emergence of non-profit organizations. Most non-profit organizations are often working towards improving the welfare of the specific groups they are serving hence the high number of these organizations worldwide (Casey, 2011). Lebanon is no different, and various non-profit organizations are found in the country. Lebanon is a developing upper-middle-income economy, with the country's economy witnessing significant growth after the end of the war in 2006. In the period between 2007 and 2010, the economy of Lebanon witnessed an average annual growth of 9.1%, pushing the income to the upper-middle-income economy. Lebanon has not put in place restrictions on capital movement and foreign exchange. However, the country faces challenges from a governance perspective, with the government failing to address the citizens' needs effectively.

Moreover, the rebuilding from the war period is taking longer, necessitating the need for social responsibility. As a result, several non-profit organizations have come up in the country. They seek to bridge the gap in governance and help the Lebanese citizens to overcome the myriad of challenges the country is facing (Casey, 2011). However, the management of the different non-profit organizations

in the country is subject to several difficulties prevalent in other non-profit organizations worldwide. The significant problems often encountered in the management of non-profit organizations include economic unrest, leadership succession, change management, and informing the world regarding their activities which in some instances is not clear (Carman, 2014). In addition, these organizations often encounter problems in the form of reduced funding, competition, increasing needs of the community, and government interference. Conflict of interest is another significant problem for most of these organizations. Therefore, the success of non-profit organizations depends on the existence of excellent and sound management framework systems.

The Arab Trading and Contracting Company (ATC) was started in the middle of 1970 and ran programs that help specific vulnerable populations in Lebanon such as orphans, the disabled, the elderly, and the inferior. The organization's current president has been helping achieve goodness in the Lebanese communities affected by civil strife for so many years. ATC takes a different approach to help the vulnerable in this society. The organization was started by an orphanage that had gathered orphans from the Lebanese Civil War and provided them with a place to live. After 1985, the organization began taking care of their education in addition to the accommodations. According to the president, education is essential for all layers of society, and orphans must get it to be independent. Based on this vision, the organization opened a chain of schools throughout Lebanon to help provide good education to the people. The number of schools opened reached 15 and educated up to 22000 students. It also runs five academic schools and ten orphanages. Finally, the organization also has programs to provide medical services to the orphans and tries to get them jobs at the end of the aid program. It is meant to ensure that they remain independent even after leaving care by ATC association. Therefore, the main question of the case is how ATC is managed, what structure they use, and how it is funded?

### *Need for the study*

Studying the management of non-profit organizations is crucial as they play a significant role in addressing societal issues and providing necessary services to communities. The Arab Trading and Contracting Company is a prime example of a non-profit organization that requires attention and study to improve its effectiveness and impact. The company provides services such as construction, transportation, and logistics, which are essential for the development of communities in the Arab world. Understanding the management of this organization can shed light on the challenges and opportunities faced by non-profits in the region and provide insights into how to address them. This study can also contribute to improving the management practices of non-profit organizations, enhancing their efficiency, and strengthening their ability to serve their communities. Ultimately, studying the management of the Arab Trading and Contracting Company can contribute to the betterment of societies in the Arab world.

### *Research objectives*

Managing non-profit organizations result in one experiencing significant challenges and opportunities for the improvement of community welfare. Consequently, the research sought to address the following objectives concerning the management of non-profit organizations:

- To examine the challenges encountered in the management of non-profit organizations.
- To analyze the opportunities available in the management of non-profit organizations.
- To determine the role of ATC in promoting the welfare of the Lebanese Community.
- To identify the strategies useful in addressing the challenges encountered in the management of non-profit organizations.

### *Significance of research*

The study captures the importance of the management of non-profit organizations. The increased focus on non-profit organizations arises from the overall increase in the number of non-profit organizations worldwide. Consequently, identifying and understanding the most effective strategies adopted can help overcome the challenges witnessed in some non-profit organizations worldwide (Singh, 2021). In addition, non-profit organizations employ millions of people worldwide, and they operate in countries with varying systems of governance in place. Therefore, the study helps explain how non-profit organizations worldwide continue to witness success resulting from the management strategies (Singh, 2021). Thus, the study's outcome on the effective management strategies of non-profit organizations can go a long way in helping other organizations succeed as well.

## Literature review

### *Introduction*

The literature review focuses on the previous studies relating to the research problem under investigation. Several studies on non-profit organizations, including their management and operations, inform the literature review. The gaps in the previous studies explain the factors in non-profit organizations' management through the literature review. The emerging gaps in the earlier studies inform the main area of focus in this study and help in explaining what needs to be done for non-profit organizations to witness any meaningful growth. In recent periods, management styles in organizations are changing as leaders and managers look into the adoption of strategies that guarantee the best level of success. Through the literature review, the emerging management strategies for non-profit organizations are assessed, and their impact on these organizations' success informs the study's focus.

### *Definition of terms*

#### For-Profit Organization

It is an organization that raises money from private investors for which it must give equity or dividends to shareholders. In this form of organization, a return on investment is expected. Such types of organizations exist for the provision of goods and services while realizing profitability (Hinton, 2020).

#### Non-Profit Organization

In this organization, the shareholders often seek donations from individuals, foundations, and corporations. Such types of organizations exist to provide goods and services without expecting any form of profitability. When the organization realizes any profit, the entire profit is reinvested into the organization or donated to charitable activities (Drucker, 2012).

### *Strategies and theories for non-profit organizations*

The theories and strategies for non-profit organizations explain the primary reasons for their existence. Furthermore, they help in explaining what these organizations are built to achieve once they become operational. The three main theories explaining the existence of non-profit organizations include economic, historical, and political science theory. The economic theory of public goods helps in explaining the reason for the existence of non-profit organizations. The public goods theory regarding the role of non-profit organizations is attributed to Weisbrod (1974, 1977), who explained that non-profit organizations serve as private producers of public goods (Valentinov & Iliopoulos, 2013). The main argument is that government entities provide public goods to the level satisfactory to the median voter, thereby leaving other groups unsatisfied in their demand for public goods (Valentinov & Iliopoulos, 2013). The theory by Weisbrod captures the phenomenon of most non-profit firms providing services with characteristics of public goods.

The social theory explaining the existence of non-profit organizations is attributed to Salamon and Anheier (1998b). The idea emerged to respond to the limitations of economic theory, and it sought to explain the variations in size and composition of the non-profit sector (Anheier, 2008). Salamon and Anheier (1998b) clarify that the non-profit sector across countries have different historical moorings revealing different social and economic shape. Social factors including wealth, income, education, power, and prestige are fundamental in creating non-profit organizations (Anheier, 2008). In most instances, non-profit organizations are created in countries with lower social factors, with most support coming from countries with better and well-established social systems.

The other theory used in explaining the existence of non-profit organizations is political science theory. Non-profit organizations, especially civil society, are rooted in the quest for better political and governance systems in different countries. Thus there is a relationship established between the political systems in different countries and civil societies. Most civil society groups advocate for liberal democracy and where the needs of the general population in the country are addressed comprehensively (Lechterman & Reich, 2020). Moreover, non-profit organizations have political recognition in the countries where they operate. In

most instances, they are founded on the principles of governance in these nations emerging from the political processes and systems in the respective countries.

Strategies influencing the operations of non-profit organizations include strategic, board development, and sustainability strategy. On the strategic aspect, non-profit organizations must have a clear strategy for the areas they enter to operate. The goals of what is to be achieved and the source of funding for the organizations must be defined from the start. Such an approach goes a long way in ensuring they can accomplish the different objectives informing their operations (Anheier, 2008). The other critical aspect is board development. The board is responsible for ensuring the operations of the organization succeed. They are responsible for determining the specific areas where the non-profit organization selects to focus on and preparing the financial statements for the organization. Consequently, non-profit organizations must comprehensively develop a board with the required expertise in the area of operation. Such an approach ensures the objectives of the non-profit organization are met.

### *Organizational structure of non-profit organizations*

An organizational structure is a system outlining how certain activities are directed to achieve the organization's goals. The activities include the rules, roles, and responsibilities for which the different stakeholders are assigned. The organizational structure is a critical tool determining the information flows between different levels within the company (Chokheli, 2015). Non-profit organizations are not different, and they have clear organizational structures in place, often determining how activities are executed in such organizations (Chokheli, 2015). The figure below captures the commonly adopted organizational structure for most non-profit organizations. The founders are responsible for formulating the ideas on the area where the non-profit organization will focus (Ahmady, Mehrpour, & Nikooravesh, 2016). Below the founders are the boards of directors who influence the daily decision-making in the organization. The other individuals within the organizational structure include officers, committees, and staff, all of whom have respective roles. The officers include the president, vice president, and other management level officers. The committees comprise board members and fundraising committees who source funds for the non-profit organization's operations (Ahmady, Mehrpour, & Nikooravesh, 2016). The staff includes paid employees, volunteers, and general members who have specific roles and responsibilities expected to execute.

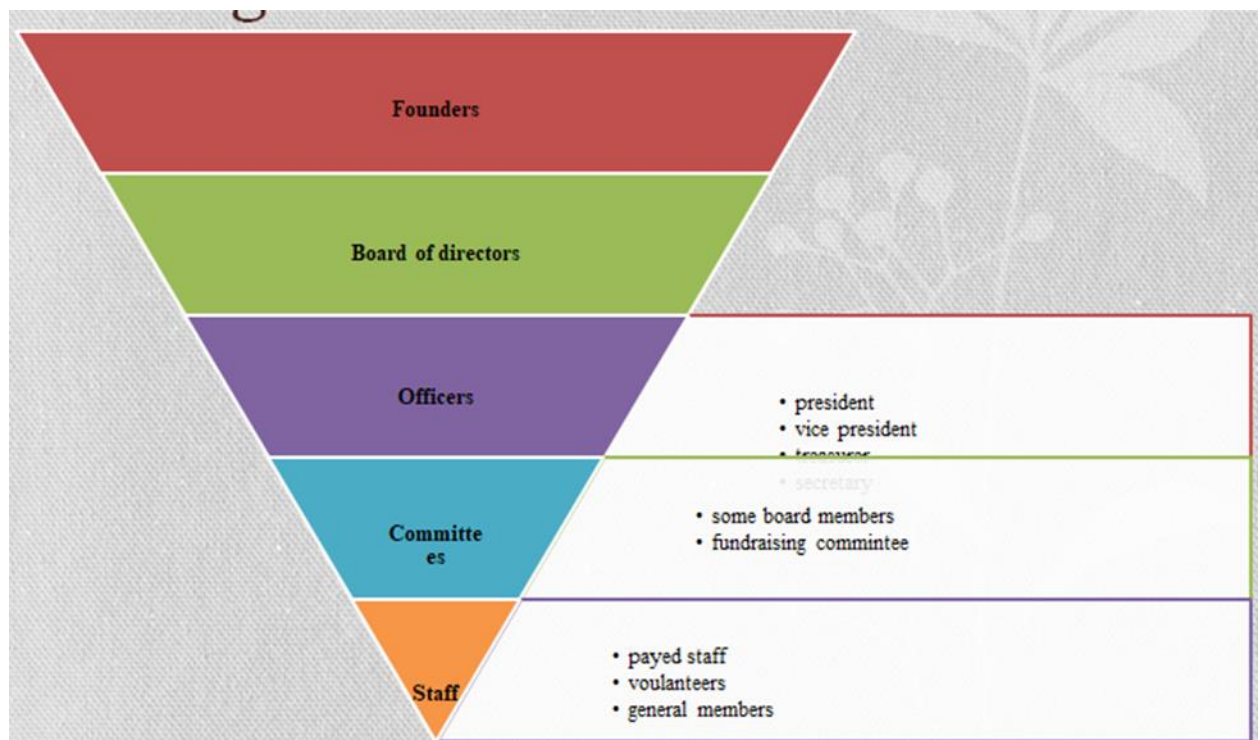


Fig. 1: Non-profit Organizational Structure (Ahmady, Mehrpour, & Nikooravesh, 2016)

### *Management of non-profit organizations*

Management is described as the administration of an organization, whether a business, non-profit organization or government agency. Management is concerned with engagement in the supervision of organizational activities to ensure all the deliverables are met. The failure or success of an organization is often attributed to the management in place, highlighting the significant role managers play (Lloyd & Aho, 2020). Managers are expected to control, direct, plan, staff, and lead the organization. The approach used by a manager in addressing these different aspects determines whether they succeed or fail in the roles and responsibilities they are assigned. The management of non-profit organizations is a bit different based on the factors involved. The management of non-profit organizations requires empathy, fairness and impartiality, patience, and challenging but achievable assignments (Lloyd & Aho, 2020). In addition, the leaders must not overemphasize poor governance but build a platform upon which individuals can grow and develop in their roles. The leaders of non-profit organizations are expected to impact others, improve the organization's financial standing, and work on the social aspects of the organization. Communication, financial awareness, practical experience, and personal commitment are other qualities expected of leaders (Lloyd & Aho, 2020). The other skills necessary include fundraising and grant writing, budgeting, governance, and program development and evaluation. The different skills and experience are essential for managers seeking to excel in their roles in non-profit organizations.

The managers leading non-profit organizations must in place effective strategies to ensure any form of success is realized. Successful non-profit organizations have qualified staff members who ensure all aspects of the organization are comprehensively addressed (Ciucescu, 2011). Therefore, management must undertake a rigorous hiring process to ensure they end up with qualified staff members in the organization. Successful managers understand the significance of

cash in their daily operations and can increase the revenue streams and other sources of funding (Ciucescu, 2011). Furthermore, the success of management depends on the implementation of proper budgeting systems and accountability framework that allows for the desired level of success to be achieved. Successful management of non-profit organizations also involves a good board of trustees and a clear mission statement regarding what needs to be done (Ciucescu, 2011). In addition, non-profit organizations must have a robust supportive volunteer base, and excellent public relations and sales marketing must be in place. The coordination of these aspects will influence the overall success.

### *Ethical issues in management of non-profit organizations*

Ethics are the determinations of right and wrong and are based on the principles of beneficence, justice, and fairness. Additionally, there are laws, policies, and codes that guide ethical practice. Ethics in the management of non-profit organizations is gaining momentum, especially with the lack of an appropriate regulatory framework from external sources (Morley, Le, & Briskman, 2020). Most of the regulatory framework is in place to ensure activities are executed in line with ethical principles. The focus of ethics is salient in social work because of the profession's expectations and the populations and problems being addressed by the field.

Nevertheless, unethical behavior remains a prominent feature of non-profits and for-profit organizations (Morley, Le, & Briskman, 2020). Based on their roles in society, non-profit organizations are expected to integrate honesty, transparency, integrity, equity, and confidentiality as the basis of their operations in the quest to integrate ethical behavior (Rhode & Packel, 2010). However, the overall public confidence in non-profit organizations has tanked. According to a 2008 Brookings Institution survey, one in every three Americans does not have strong confidence in charitable organizations (Rhode & Packel, 2010).

Furthermore, 70% of charitable organizations are considered to waste significant resources and finances in ventures that do not improve overall society. The statistics are an indictment of the confidence levels and the overall ethical standards adopted by non-profit organizations. Approximately 10% of the entire population of the United States believes that non-profit organizations are doing anything meaningful that is designed to improve the welfare of the general public (Boucher, 2013). The ethical guidelines that are instrumental to non-profit organizations' activities include improper use of information, disclosure, improper use of assets, and the lack of appropriate record-keeping systems.

In addition, how gifts, gratuities, and entertainment are executed form part of the ethical considerations (Boucher, 2013). Since funding and contributions come from different groups, including politicians, non-profit organizations must adopt effective strategies for rejecting or accepting donations not aligning with their goals. The failure to put excellent structures and proper ethical plans in place often creates problems for non-profit organizations (Carroll, 2018). The problems encountered by non-profit organizations include economic unrest, leadership success, and change management. In addition, the other problems often encountered include the lack of proper awareness regarding their activities, reduced funding, increasing and dynamic needs of the Community, and conflict of interest hampering successful operations.



*Relationship between government and NPOs*

The relationship between government and non-profit organizations is crucial in ensuring that the needs of communities are met effectively. According to a study by the National Center for Charitable Statistics, non-profit organizations often partner with the government to provide public services that the government may not have the capacity or expertise to offer (Salamon & Anheier, 1997). This partnership allows non-profit organizations to access resources and funding provided by the government, while the government benefits from the non-profit organizations' specialized knowledge and ability to reach marginalized communities (Lambright, 2005). However, this relationship is not without challenges. Non-profit organizations may face increased regulation and accountability measures from the government, which can limit their autonomy and ability to respond to the unique needs of their communities (Salamon & Anheier, 1997). Therefore, it is essential for both government and non-profit organizations to engage in open communication and collaboration to ensure that their partnership is mutually beneficial and serves the best interests of their communities.

Methodology

The methodology highlights the approach used in executing the study and addressing the research problem under investigation. The philosophy and methodological approach used in the study is part of the methodology, and proper definition allows for the study to address the research objectives (Bryman, 2012). Through the adoption of Saunders Onion Research, the study can identify the strategies that go into the methodology and ensure the objectives are realized. The different steps involved in collecting, analyzing and interpreting data in this study are comprehensively defined through the research onion.

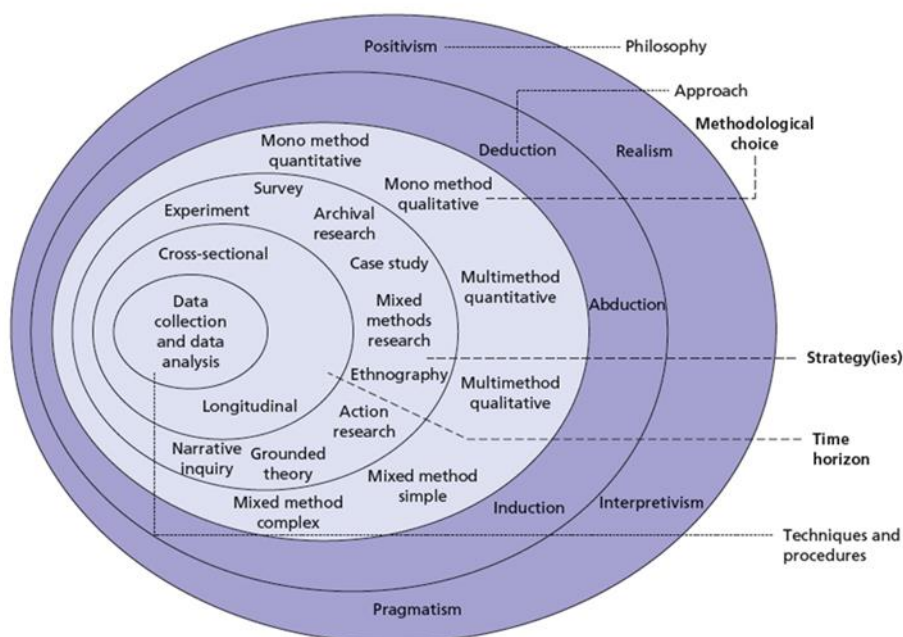


Figure 2: Saunders Research Onion (Saunders, Lewis, & Thornhill, 2009)

### *Research philosophy*

It is the belief regarding the nature of the phenomenon under investigation. Several research philosophies exist, and they apply to different forms of research. In investigating the management of non-profit organizations, pragmatism philosophy is the most appropriate philosophy. Pragmatism philosophy describes how knowledge works in practical realms (Feilzer, 2010). Explaining how knowledge is employed in the practical sphere is critical to understanding how the outcomes from different studies can be used in improving communities (Saunders, Lewis, & Thornhill, 2009). The adoption of pragmatism philosophy, in this case, provides the opportunity for understanding how non-profit organizations are managed. Furthermore, there is the opportunity to investigate the challenges encountered by non-profit organizations and how they are working to overcome the challenges in everyday operations.

### *Research approach*

It is the plan and procedure with the steps for the method used to collect, analyze, and interpret data in the study. The two main research approaches are inductive and deductive strategies. The inductive approach involves the approaches in knowledge construction. The deductive approach involves assessing existing theories as an approach used in affirming their accuracy (Bryman, 2012). In this case, the deductive approach will be the most effective strategy in understanding the emerging issues in the management of non-profit organizations. The research involves adopting a qualitative approach in the collection of data relating to the research problem (Bryman, 2012). Through a qualitative approach, the data in the study is collected independently and allows for an understanding of the factors influencing the operations of non-profit organizations. The collection of primary data through engagement with the management of ATC non-profit organizations can provide valuable information regarding what is involved in the management of these organizations.

### *Research strategy*

It describes the processes and systems used in executing the research work. The common research methods include systematic review, case study design, interviews, surveys, and experimental research design (Silverman, 2013). The research problem under investigation often determines the strategy used, and there are instances where more than a single strategy is applicable. In this case, the research involves interviewing the management of the ATC non-profit organization. Interviews with the management through the administration of questionnaire allows for understanding into the emerging issues in the management of non-profit organizations and the dynamic problems often encountered in the process.

### *The case studied*

Using the Arab Trading and Contracting Company as a case study for managing non-profit organizations in Lebanon is justified due to its significance and impact in the country. The company provides essential services such as construction, health care, education, transportation, and logistics, which are crucial for the development of the communities in Lebanon. Its operations have a direct impact on the lives of the people it serves, making it an ideal case study for understanding the management practices of non-profit organizations in the country. Additionally, the company faces unique challenges and opportunities that are common to many non-profit organizations in Lebanon, such as navigating complex regulatory frameworks and accessing funding and resources. Studying the management practices of the Arab Trading and Contracting Company can provide valuable insights into the best practices for managing non-profit organizations in Lebanon, ultimately contributing to the development and sustainability of these organizations and the communities they serve.

### *Data collection and analysis*

Data collection and analysis are critical areas often influencing the outcome of the study. The two areas often determine the overall validity and reliability of the study's outcome (Silverman, 2013). In this study, primary qualitative data was collected through interviews with the management of the ATC organization. The management experiences everyday challenges and opportunities in the non-profit organization. Furthermore, the data collected in the study was analyzed through thematic analysis. The thematic analysis allows for the identification of the significant patterns in the management of non-profit organizations.

## The Case study of Arab trading and contracting company

According to the above literature, and after the gathering of the data through interviews, the result will allow us to drive into the case study and to build the below discussion. This case will state the ATC structure including decentralization issue, ATC funds and how they are provided, the ethical review of ATC, the innovation process, and finally the training and development center.

### *ATC structure*

ATC is one of the most popular and growing non-profit organizations in the world. The association started as an orphanage collecting orphans resulted from of the Lebanese war. In 1985, the institution transfer towards the integration of education of these children as part of differentiating its concept of living. Therefore, ATC build 15 institutions with approximately 22,000 students, five academic schools, and ten orphanages. The organization's founder believes that the organization's success is due to the decentralized management theory. Decentralization encompasses the handing over of responsibilities that the top management held (Sloan, 1964; Colacci & Sloan, 2019). The tasks are distributed to other members within the organization, thereby guaranteeing more individuals understand their roles and implement them successfully. The variety of personnel

performing their roles often goes a long way in assuring diverse ideas. According to the founder of the organization, every single employee should feel responsible in the workplace. Therefore, it is liable for increasing their overall efficiency and effectiveness in the organization.

ATC is using a Decentralized structure in managing its organization. Through these years, it was proven a successful way to manage the significant number of organizations that they control. It is releasing the encumbrance from the management headquarter and turning ATC for better supervision of its organizations, especially on the financial concern. When asking the president about centralized structure, he replied that it might suits small businesses and other types of organizations, but not Non-profit.

The success of ATC is based on several factors, including the strategy used in the selection of the managers. The management is responsible for the success witnessed by the organization hence the elaborate process in place for selecting managers. The strategies involved in selecting managers include having good communication skills and manners, respect, inspiration, loyalty, and excellent decision-making skills. In addition, they inform the characteristics looked at during the selection process for managers. Though the organization has witnessed significant growth arising from the decentralized management system, the organization has experienced several obstacles. The lack of a conducive environment by the government limits the success of the organization. In addition, there is stiff competition from other non-profit organizations and donations often accompanied by stringent conditions limiting the successful implementation of the programs the organization wishes to pursue.

### *ATC funds itself*

Factors such as economic unrest, unstable environment, corruption, and high uncertainty index have created challenges for funding for Arab Trading and Contracting Company. Such challenges result in an unfixed source of funding and donations for the non-profit organization. Consequently, the different factors can result in instability of the organization, thereby affecting its continuity. Thus, ATC has initiated its for-profit project ATC restaurant as part of the strategy to create a self-funding model. The resultant structure for ATC can be seen in the parent-subsidiary.

All these mentioned factors, can lead to instability inside the organization, unfortunately, also to threaten the continuity of ATC that is helping many people and the society in Lebanon. Depending only on fundraising to provide financial liabilities is not an efficient source to help, take care of responsibilities, and provide the good support program. In addition, as we discussed that the best strategy for the continuity of the non-profit organization is to work for a plan to fund itself. The president stated that they started to look for a fixed and stable financial resource that can provide efficient and effective plans to the people they are responsible. It was the start of ATC for-profit organizations. In addition to the fundraisings that are managed repeatedly, ATC opened a chain of good and service organizations to back its cause. Such as, a group of for-profit organizations and a chain of gas stations covering the Lebanese territory and traveling through the world in the different continents to save ATC and ensure its continuity. These ventures now are helping in keeping many handicapped, disabled, orphan, poor, and special need people, rather than many of these people are now a part of these projects as they work in it.

*ATC ethical review*

ATC has consistently worked on operating ethically through transparency in all its operations. Transparency is achieved by showing statistics and opening the orphanage to the public who can visit and see the different activities. The services offered by the organization include schools, orphanages, universities, organizations for the disabled, health care institutions, and elderly care institutions. The president argues that to get funds from sources, they have a right to see what the work done is and what the plans are; so everything in his opinion must be public. Other views would argue that in times when many organizations are taking advantage of people with low economic status and orphans to make money, the public does not really trust slogans rising in the name of supporting vulnerable communities. Another view would state that using the names and situations of underprivileged populations is unethical, and here moral arguments would affect NPOs directly go their vision and cause is not found to be well supported with a solid base and authentic work of action.

It is well known that scam and fraud is a huge issue to look out for in the world of NPOs. For this purpose, we planned to initiate a program for helping out vulnerable communities of people who are of a low economic status and are orphans. This program's vision is allowing the society to be involved in aiding orphans, and that aid could consist of handling the child's educational and vocational requirements, as well as their basic needs of residential, medical, and everyday life needs. People are always invited to come in and watch the work in action at ATC, and they are given options on whether to pay for the orphans as a form of aid or pay the organization, which will then take over this role. This program is based on transparency, and it helps the community learn how to hold a humanistic responsibility towards building the future of our society, and it also helps in increasing the credibility of the organization since everything is open to the public.

The organization owner debated about another ethical issue, which is using the for-profit organizations to compete with small companies. The for-profit organizations are now one of Lebanon's most successful service chains. One of the arguments is the enormous growth of this chain. It is now an international chain located in Europe, Africa, the Gulf, and Asia. The chair of ATC replied that this development is essential. As the president argued that this development is a contingency plan, if the donation will be slight and did not meet the continuous increase of needs and numbers of people the organization supports. The chairperson carry on, ATC will continue the growth, and it is not restricted to any limits. People are living in a period of rapidity and growth, and we should be part of it. We continuously improve everything including the for-profit organizations, organizational structure, and help programs. ATC is not aiming to compete with small businesses, but we consider it ethical and a duty to develop constantly. For example, running a 5-star hotel is not consider a way to compete with small markets. A 150\$ room per night is considered a high price, so it is competing for high-level companies. With respect of using the marketing of orphans in the for-profit organizations; the holy Quran uses it and inspires us to work on the behalf and in their name; the chairperson stated.

Conflict of interest is a major challenge in an organization such as ATC, where decision-making is decentralized. When the personal interests do not align with the organizational interests, significant challenges are likely to be encountered. Addressing conflict of interest in non-profit organizations often requires centralized monitoring teams, emphasis on moral values, involvement of employees, and

constant evaluation and monitoring of the employees. Finally, conflict of interest agreement is not a solution to avoid it; but the rapid assessment of the employees, managers, and leaders, and this role is one of the centralized monitoring team reports. It can be annually or monthly, depending on the employees and their cases. Employees are close to the decision-making process and the organization's resources, which means a lot of authority, thus they should be supervised and observed. The supervision is not lead the employees for less confidence, but to assure that the organization remains working efficiently.

### *ATC innovation process*

Funders of non-profit organizations demand a continuous improvement of the organization; so innovation is the key for this demand as it is vital and seen by them. The president said that innovation is an important part of the management of our organization, and it is specified in their job description and it is monitored by decentralized structure and by annual or monthly evaluation. Innovation is an accountable index for our employees. We are using innovation on the technology aspect; by taking advantage of the technology in education field using fusion of education and new techs. Technology is an outstanding catalyst for developing the abilities of elderly people, handicapped, and the disabled; of course, these techs are very expensive, still extremely helpful. The improvement of our for-profit establishments can operate in a more effective way, which means additional profit that can fund our mission in the non-profit organizations.

### *ATC training and development*

The chairperson stated that the development program was one of the biggest concerns for the organization; we had started this program in 2002 where the idea was not shown in the universities in a broad countenance. The development program became dynamic in 2006 with a mission of "unlimited development," a first step was attaining the ISO 9001 responsible for managerial skills. Many plans were implemented for the sake of enhancing individual capabilities and for the improvement of organizational performance.

The president argued that training and development would help in Elevating job satisfaction and ethics among employees, enhancing employee inspiration, and improving efficiency in the workplace. In addition, they would increase the ability to adapt to new technologies, boost novelty and strategic plans, and reduce the employee turnover which is vital for non-profit since the employees should thoroughly know about the work and be involved in its cause.

### *Relation between ATC and the government*

The relationship between the Lebanese government and the Arab Trading and Contracting Company is not always smooth, with the government not always providing the necessary support to the company. Despite the company's crucial role in providing essential services to the communities, the government has not always prioritized supporting non-profit organizations such as the Arab Trading and Contracting Company. This lack of support has limited the company's ability

to carry out its operations effectively and provide necessary services to the communities. The company has faced challenges such as delays in obtaining permits and licenses, which have led to project delays and increased costs. Therefore, it is important for the government of Lebanon to recognize the vital role played by non-profit organizations such as the Arab Trading and Contracting Company and provide necessary support to ensure that they can continue serving the communities effectively.

As the CEO of the ATC, the Arab Trading and Contracting Company plays a crucial role in providing essential services to the communities in Lebanon. However, to ensure its continued operation and sustainability, the company requires the support of the government. As a non-profit organization, the company relies on funding and support from various sources, including the government. With the right support, the company can improve its services and expand its reach, ultimately contributing to the development of the communities it serves. Additionally, the government can provide necessary regulatory and legal frameworks that can enhance the company's operations and help it address any challenges it may face. By providing the necessary support, the government can ensure the sustainability of the Arab Trading and Contracting Company, ultimately benefiting the communities it serves.

## Conclusion

Non-profit organizations are heavily under the accountability of the funders and the donors, which forces the organizations to have a high level of transparency, increasing the credibility of the organization and increasing the number of people willing to donate for the sake of social aid. Innovation is needed, as we stated in the past theories. Non-profit is now challenging, away from the limitation of resources and the technical stuff, which would lead to a fail. Hence, following up with the new technological evolution and every new idea is that innovation is also about creating new ideas to perform better within the organization and improve effectiveness and efficiency. The other issue, which is ATC, is writing their experience into books to share their experience with others. Because it feels responsible about letting everyone know the importance of the training and development program, this will let our employees up-to-date. The thing that matters the most is that they will work in less time and effectively achieve the goal. The last thing considering the ethical perspective is to work on the human sense and increase it because, in the end, this is what ATC is working for, and by this, it will be successful in the public view.

## Limitation

One limitation of the research focusing on the case of the Arab Trading and Contracting Company in Lebanon is that it may not be directly applicable to non-profit organizations in other countries. The study's findings and recommendations may be specific to the unique context of Lebanon and may not necessarily be transferable to other countries with different cultural, social, economic, and political environments. Further studies would be necessary to determine the extent to which the management practices of non-profit organizations in Lebanon apply to other countries and to identify any country-specific factors that may need to be

considered. Therefore, while the study of the Arab Trading and Contracting Company can provide valuable insights into managing non-profit organizations in Lebanon, caution should be exercised in generalizing its findings to other countries without further research.

Cultural diversity is one of the factors that can significantly affect the implementation of a study on managing non-profit organizations in different countries. The cultural norms and values of a particular society can shape the expectations and behaviors of individuals within the society, including those working in non-profit organizations. For instance, in some countries, the concept of volunteerism and charitable giving may not be as prevalent or as highly regarded as it is in other countries. This can affect the recruitment and retention of volunteers and donors for non-profit organizations, ultimately impacting the organization's ability to sustain its operations and achieve its mission.

Furthermore, cultural diversity can also influence the management practices of non-profit organizations in different countries. For instance, the role and status of women in the workplace may vary significantly from one country to another, and this can affect the representation of women in leadership positions within non-profit organizations. Additionally, the organizational culture of non-profit organizations may vary depending on the cultural context, with some societies being more hierarchical and others being more egalitarian.

Therefore, when implementing a study on managing non-profit organizations in different countries, it is crucial to consider the cultural diversity of each country and how it may impact the management practices of non-profit organizations. Without such considerations, the findings and recommendations of the study may not be applicable or effective in other countries, and further research may be necessary to develop country-specific strategies for managing non-profit organizations.

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