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**Nonprofit Organizations In Saudi Arabia:
An Analysis Of Impact Assessment Tools**

by

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Abstract

The growing emergence of the nonprofit sector in Saudi has been increasing recently. Saudi Arabia is seeking to improve the contribution of the nonprofit sector (contribution towards the GDP) from less than 1% to 5% by the year 2030. There is little data and no central means to collect information about regional organizations' work. Many nonprofits do not conduct or release impact assessments. This study examines nonprofit organizations in Saudi Arabia and beyond. Since the study is meant to improve Saudi Arabia's nonprofit organizations, the study tool used a qualitative approach, where three senior directors working for Saudi nonprofits were interviewed. On the same note, a systematic review of literature allowed the research to examine eight previously conducted studies. The findings showed that Saudi Arabia's nonprofits are trying their best to achieve accountability. However, the findings provided by other researchers provide evidence regarding the ways that Saudi Arabia's nonprofits can improve its impact assessment tools. The findings revealed that balancing goals, specificity, and having multiple assessment tools as the most important ideas that nonprofit Saudi organizations can adopt.

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Section 1. Introduction

1.1 Background

The influence of nonprofit organizations has increased exponentially across the globe. In a recent study, Casey (2016) noted how nonprofits have become active in policy-making and the promotion of civil actions, among other important functions that create positive social impact. A comparison between nonprofit organizations working in different parts of the world shows the region and country-specific issues facing nonprofit organizations and the efforts of these organizations to fulfill their mandate, despite their inability to make profits (Casey, 2016). At the national level, it is evident that nonprofit organizations depend on the financial assistance and government support they receive, to achieve their mandate.

According to Matic & AlFaisal (2012), Saudi Arabia is one of the largest humanitarian donor countries in the world, with statistics showing that the Kingdom of Saudi Arabia (KSA) has been donating between 1.5% and 2.0% of its GDP through foundations, individuals, and governmental organizations. The assistance is significantly more than those of other leading donor countries that donated between 0.5% and 1.0% of GDP through their nonprofit organizations (Matic & AlFaisal, 2012). These figures offer a

glimpse of the uniqueness of Saudi Arabian nonprofit organizations, since the availability of funds is crucial for the sustainability of nonprofits' operations.

1.2 Research Problem

The role of Saudi Arabia's nonprofit organizations can be assessed by examining the regional conflicts and the resulting humanitarian needs arising from such skirmishes (Altassan & Noreen, 2015). In the Middle East, civil war, rogue leadership, and terrorism have become the order the day. Therefore, according to Farouky (2016), the Kingdom of Saudi Arabia has a role to play to ensure that the regional philanthropic landscape is improved. Specifically, Farouky (2016) emphasized the need to address the weakness and threats, while at the same time exploiting the strength and the opportunities available, raising the issue of accountability and transparency to ensure that nonprofit organizations achieve their overriding objectives. The push for measurement and evaluation does not necessarily come from outside. Donors and the government still have an influence on how nonprofit organizations conduct their affairs. However, the biggest push comes from the need to adopt international standards and guarantee performance in the sector. This project will examine the nonprofit sector in Saudi Arabia. It will look at different practices and tools for impact assessment available in the United States and other countries and will create a comparative analysis. Literature will be further developed through expert interviews. The aim of this project is to create an impact assessment

toolkit that best fits the culture of nonprofits in Saudi Arabia. The reach and influence of the nonprofit sector in Saudi have been increasing recently. Saudi Arabia is seeking to improve the contribution of the nonprofit sector (contribution towards the GDP) from less than 1% to 5%, by the year 2030 (Balkhi). There are little data and no central means to collect information about the work of regional organizations. Many nonprofits do not conduct or release impact assessments. This is an opportunity to create a toolkit that will be valuable to develop and utilize in the near future.

1.3 Research Objectives

The purpose of this project is to create a tool for nonprofits in Saudi Arabia, to measure their impact. Therefore, the following research objectives were investigated:

1. To identify the challenges that Saudi Arabia's nonprofits face
2. To identify the lessons that Saudi Arabia's nonprofits can learn from similar organizations in other countries.
3. To determine how Saudi Arabia's nonprofits can use assessment tools effectively.
4. To determine how nonprofit organizations in Saudi Arabia can measure their social impact effectively and sustainably

1.4 Research Questions

1. Which challenges do Saudi Arabia's nonprofits face in fulfilling their mandates?
2. Which lesson can Saudi Arabia's nonprofit organizations learn from similar organizations in other countries?
3. How can Saudi Arabia's nonprofits use assessment tools effectively?
4. How can nonprofits in Saudi Arabia measure their social impact effectively and sustainably?

Section 2: Literature Review

2.1 Background of Nonprofit Organizations

A nonprofit organization is a collective term used to refer to all organizations that operate independently and are not aimed at making a profit for an individual, Board of Directors or shareholders. When forming a nonprofit organization, it is important to be aware of the legal constraints that one is subject to, since some governments limit the operation of the organizations. Nonprofit organizations are divided into two broad groups, viz., charities and community and social enterprises (Resource Centre, 2017). The distinguishing feature of the two types of institutions is their governance, though they might be formed for the same purposes. A community of volunteers who collaborate

to achieve a specific objective governs charity and community groups. Social enterprises are governed by shareholders or persons employed to work for the firms.

According to Matic & Alfaisal (2012), nonprofit organizations are formed for different reasons, but in most instances, for solving various crises in the society. The legal structure in different countries affects how the organizations operate, thus limiting their growth across the globe, since they have to abide by the stipulated rules and regulations. According to Casey (2016), nonprofit organizations play a significant role in the growth and development of a country, since most of them are aimed at improving the standard of living of the population, by helping to eliminate major problems affecting the people. The major problems affecting most nations are poor health, illiteracy, poor climatic conditions, out-dated cultural practices and poverty, among others. The impact of the nonprofit organizations is felt by most developing countries, whose Gross Domestic Product has to rely on foreign aid, to help eliminate most of the national problems.

2.2 Challenges Facing Nonprofit Organizations

Nonprofits have been faced with one major challenge, viz., sustainability, since most of them rely on financial aid from sponsors and donors to carry on their activities. The financial constraints that the managers of the organization face, forces them to brainstorm regularly on the practical ways in which they can find donors and sponsors and increase the numbers in their organization, since most of the services are offered by volunteers.

According to corporate experts like Latham, adopting this approach has resulted in several unpleasant consequences for the managers, mirroring the organisations in unseemly controversies. Some of the challenges that managers have faced include endless debates on the priority of the projects to be tackled (Latham, 2017). Priority is always an issue for the organisations. In an attempt to corner publicity, the manager and other stakeholders are forced to do everything in their power to please people, especially existing and potential donors. This approach has led to limitations on creative thinking, since the individuals are always afraid of spending and taking risks, since they deplete available resources. This, in turn, affects the impact the nonprofits have to the society since their operations are limited.

2.3 Saudi Arabia's Nonprofit Organizations

Saudi Arabia has implemented reforms to boost the number of independent nonprofits in the country. One factor the founders of the nonprofits ought to understand is that governance of a nonprofit organization is critical to the success of its activities. To promote active management in that the impact of the nonprofit organization can be felt, value ought to be created in the body (Balkhi, 2017). Having a mindset founded on value has impressive results to an organization since it broadens the thinking of the stakeholders. Focusing on the value that one wants their organization to have is critical. It has been ascertained that value plays an integral role in generating resources, especially

finances for the firm, funds on the hand boost the production capacity of the enterprise. A high production capacity enhances the value of the organization, thus increasing the success of the team in the end. Once the stakeholders have created value in their organization, its impact will be felt and can be measured, based on the goals the organization wants to achieve. It is prudent to ascertain who cares about a team's dealings, since it contributes to knowing the potential financiers of the organization. It also helps in identifying the persons who can add value to the organization, thus leading to its growth and development.

Formation of a comprehensive partnership plays a significant role in the growth and development of a nonprofit organization. Effective partnerships with stakeholders from all sectors that the institution is affiliated with are critical in ensuring the sustainability of the organization. Founders of nonprofits, especially those engaged in charity work, ought to form effective partnerships, to continue serving their target audience in the end.

According to Balkhi (2017), most of the nonprofits in the United States and Russia have reliable and efficient partners; thus, they are assured of achieving their short term and long-term goals. Stakeholders in Saudi Arabia should consult interested parties in the United States and other countries that have established effective nonprofits, whose impact can be felt across the borders of the countries. Stakeholders can use the partnerships that a nonprofit has developed, to measure the influence it has or is likely to have, based on its set goals.

Saudi Arabia has been ranked as the world largest donor of humanitarian assistance, since it has played a significant role in helping out in times of disasters across the globe. The financial aid comes from the people in the country, organizations, and the Arabian government. Despite being the world's largest contributor of financial aid, the rate of social development in the country is weak. The number of registered nonprofit organizations in the country is limited, since it stands at approximately nine hundred, which is not proportionate to its population of twenty-seven million people. According to Matic & Alfaisal (2012), the rate at which the country donates to the outside world, vis-a-vis the limited social development in the country, is a clear indication that there is a major problem in the country. Social development in the country is expected to be vibrant and thriving significantly, which is not the case. A country such as India has as many as 3.3 million nonprofit organizations, thus implying that every 400 Indians are covered by at least one nonprofit organization. In Russia, on the other hand, there are 227,000 nonprofit organizations, making for one organization for every 500 Russians. The figures show that the rate of social development in Russia and India are high, as are those of other countries such as the United States.

It is prudent to define the problem affecting the limited social development in the country, since the rate of financial assistance the country offers to other countries is a clear proof that the country can have many nonprofit organizations, thus encouraging social development through the provision of goods and services. According to Matic &

Alfaisal (2012), most of the nonprofit organizations in Saudi Arabia are non-operational, while the rest lack clear objectives and are hence ineffective and weak in their operations. It has also been ascertained that most of the nonprofit organizations lack funding and only insufficient resources reach the intended beneficiaries. It is further clear that embezzlement of funds is prevalent in the sector. With the rate of generosity the country is famous for, limited funding is supposed to be the least of the problems affecting the growth and development of the nonprofit organizations in Saudi Arabia. Restructuring of the managements of these organizations ought to be done, especially in the case of charitable organizations that rely on external sponsors and aid to deliver their products and services to the target audience.

One of the biggest problems in Saudi Arabia is unemployment, ranging from 10 to 20 percent. The country has one of the fastest growing economies in the world due to its vast oil deposits, which are the greatest revenue earners. According to Matic & Alfaisal (2012), 65% of the country's population is aged below 25, thus implying that the country has productive demographic assets that should be empowered and provided sufficient resources to develop. Accessibility of the resources can be achieved only through the creation of nonprofit organizations, which can be sponsored by the government or different organizations with the capacity to support the youth in the country (Casey, 2016). The leaders of Saudi Arabia should learn from the strategies adopted by the United States after the 2007-2008 economic recessions in that country. A nonprofit

organization in the USA played a significant role in the creation of employment for the youth, thus making them productive. That, in turn, boosted the country's gross domestic product, restoring the economic growth to its earlier position and surpassing by a significant percentage. Development of charitable organizations in Saudi Arabia, especially those aimed at helping the less fortunate in the society, can be a straightforward task, since charity is an integral part of the Muslim culture.

According to Casey (2016), Saudi Arabia being a Muslim country has an added advantage. The people only need to be empowered and shown the importance of giving, and they will develop a commitment to the act. In doing so, the country will develop internally, leading to economic growth, since the standards of living of the vast population will improve. Nonprofit organizations play a significant role in the growth of a country, explaining why countries such as India with its large population have such a huge number of nonprofit organizations. To measure the effectiveness of the nonprofit organizations, the founders of the organizations can set goals that the managers of the organization should work to achieve. With clear strategic plans, the organization will always be in line with its set purpose. The managers will always ensure that the persons working under them, employees or volunteers, are productive, thus encouraging the financiers of the organizations to continue their support.

As for improving the productivity of the members of a nonprofit organization, a manager can employ the story telling technique, which, of late, has been used as a great empowerment tool for employees and other stakeholders within the organization. The managers can deliver a well-structured narrative highlighting the achievements the organization has attained and the persons who have played integral roles therein. The manager ought to apply narrative thinking to deliver the story effectively to the target audience. According to Boje (2014), storytelling will inspire the affiliates of an organization to be productive, after acquiring a comprehensive understanding of the origin of the organization.

Social enterprises in Saudi Arabia should ensure that their managers have appreciable skills in the storytelling technique as a marketing strategy, since it can boost the productivity of the organization. After the implementation of storytelling either in liberal groups or social enterprises, the stakeholders of the organizations should assess the outcome of the organization as regards productivity. According to Lämsä & Sintonen (2006), service delivery in the body will have improved significantly, thus upholding the culture of the organization. Those that offer products will observe an increase in the productivity of the organization. Nonprofit organizations in Saudi Arabia can measure the influence they usually have on their subjects, by assessing the performance of their employees and volunteers, after motivating them. Story telling has been ranked as one of

the efficient ways to motivate employees, as it acts as an eye-opener to some of them, motivating them to produce more for the organization.

Among the biggest operational challenges experienced by nonprofit organizations is the cultural influence, which affects the manner of their functioning. Some perceptions that some communities have are outdated with the advancement in lifestyle, thus limiting their growth and development. In Saudi Arabia, male chauvinism is prevalent, resulting in the treatment of women as second-class citizens, with reduced social importance, *vis-à-vis* their male counterparts. This practice has affected the growth of women in the community, since they feel they are answerable to men in all respects. However, nonprofit organizations such as Al Nahda Philanthropic Society for Women have been treading a new path by empowering women, to uplift their social status. Founded in 1962, this nonprofit has been offering education, training and employment opportunities to women in Saudi Arabia. The organization is structured such that it uplifts the women both economically and socially, by enlightening them (Arab.org, 2017). It is a voluntary organization, in the sense that most of the persons working for the organization offer their services free. The Kingdom of Saudi Arabia should fund such organizations to boost their services and to enable their outreach to cover substantial women in the vast country. The impact of nonprofit organizations can be measured by assessing the achievements of organizations such as Al Nahda Philanthropic Society for Women since their inception and the challenges they have overcome in the process.

Another nonprofit organization whose activities have had a great impact in the Saudi Arabia is Nakhwah, founded in 2002 (Nakhwah, 2017). This is more of a social enterprise, since its principal activity is connecting persons with a passion for making a positive impact on society, through charitable work. It reinforces the activities of non-governmental organizations by finding volunteers matching their requirements and utilizes social media to encourage youth participation in proactive community endeavours, developing the community and the nation as a whole, in the process. The challenge that the organization faces is getting the right position for every volunteer, since many offer different services, and sometimes organizations have a limited range of requirements.

2.4 A Comparison of Nonprofits in Different Countries

Legislations in different countries affect the activities of nonprofit organizations, since they have to comply with the law. Legislations limit the expansion of these organizations, especially if there are some individuals who benefit, on a case-to-case basis. Some organizations have to change their structure to be allowed to expand their activities (Resource Centre, 2017). In Saudi Arabia, laws have been limiting the growth of nonprofits, thus explaining the limited number of nonprofit organizations. However, demand for civic activities has seen the abolition of some of the laws, allowing the creation of independent nonprofits, which address public affairs issues in the country.

According to Matic & Alfaisal (2012), the legislators in the country ought to formulate laws that favor the development of the nonprofits, since they play a significant role in the country's development, especially in remote areas where most of the social amenities are unavailable. Although the reasons for the formation of nonprofits differ, the government should structure laws based on the purpose, which will allow charitable organizations formed with the aim of uplifting the society to grow to their full potential.

Some countries lack democracy, denying their citizens any say and encourage victimization of people, especially employees. Labour unions, which are formed with the aim of championing the rights of employees, are banned in some countries. The employees in such countries suffer in silence due to poor policy framework. According to Courtney (2002), some government policies ought to be abolished, since they have been promulgated due to political pressure. Labour unions (which too are nonprofits) ought to be encouraged, since they play a significant role in shaping the working condition in the organizations of many countries. They play an integral role in defining the work place in some states, and increase the satisfaction of employees, thus boosting their productivity. Some government institutions need to be challenged, since they have discriminative policies. The Kingdom of Saudi Arabia should appreciate the existence of some nonprofit bodies and support their activities, since they help in shaping a better society and improve the productivity, which in turn are reflected in the overall growth of the country and its economy. According to Matic & Alfaisal (2012), the effectiveness of a labor union can

be measured by the aggressiveness with which it champions the rights of its members. Although most governments view the activities of labor unions as incitement of employees, the grievances of employees should be addressed.

According to Cernigoi (2015), increasing transparency and accountability can have a significant impact on the financiers of the organizations, since it can boost regular, predictable and assured funding. For building an impressive image among their investors, organizations are encouraged to apply business strategies, which enable assessing their impact and sharing the results with the financiers. To achieve this, the managers ought to ensure that the funds received are well accounted for, thus implying minimalization of embezzlement of funds. Collaboration from all departments is crucial in helping to attain better governance in the organization, thus leading to its growth and development.

Section 3: Methods and Approaches

3.1 Research design

This study used a mixed method by employing both systematic literature review and interview research approach. The sole aim of implementing the case study technique was to bring out the relevant facts and information on the research problem, thus contributing to the identification and definition of appropriate solutions for the research problem. The research explored nonprofit organizations on a broad scope. Under the primary research, the research used expert interviewing to gather information on nonprofit organizations in Saudi Arabia. Descriptive research was used, since it employs preliminary and exploratory research to achieve research objectives. The study design allowed the research to seek clarity, for summarizing and drawing overall conclusions on the research problem. In the study, a secondary approach was applied under the guidelines the research had stipulated.

3.2 Interview Research Approach

3.2.1 Sampling Technique

The data analysis employed purposive sampling, which is a non-probability technique to gather information from the respondents. The application of the sampling method in the research study was aimed at identifying a knowledgeable sample that would give quality findings for the research. The sample size for the study consisted of three managers, each

from renowned nonprofit organizations in Saudi Arabia. They include Interviewee 1, who is the Secretary General at a foundation dealing with Down Syndrome Charitable Association (DSCA), Interviewee 2 (a General Director), and Interviewee 3, a CEO. The research considered the sample sizeable enough to be used for the study, considering the data collection had employed in the survey. The major advantage to the research with regard to purposive sampling was that it was less time-consuming compared to other sampling techniques, since only the interested parties were involved in the research. Additionally, the findings obtained from the study were an indication of what was happening in the nonprofit sector. The major limitation that the research faced while conducting the analysis was a limited illustration of the wider population.

3.2.2 Data collection and Research Instruments

The research applied expert interviewing as the data collection method for the study, finding it ideal, as data was being gathered from a limited number of people. Interviewing in most instances entails communicating with the interviewees via email/phone call and asking a set of questions, to which they are expected to respond. The technique was well-suited for the interviewee-managers, considering their busy schedules. The directors of the three agencies played a significant role in providing detailed information on the nonprofit organizations they managed, thus supporting the findings of the literature review. The interviews with the directors were structured, entailing specific questions seeking their answers.

The research utilized the limited time with the managers to gather as much information and this was the reason behind the choice of the interview method. The research was forced to apply the semi-structured interviewing technique to talk with Interviewee 2, the General Director of leading Saudi Arabian foundation. It entailed booking an appointment well in advance to conduct the interview.

3.2 The Systematic Review

The third objective of this study was to examine how Saudi Arabia's organizations can learn from similar organizations from the other parts of the globe. There was thus a need to investigate the assessment tools that such not-for-profit organizations use and their outcome. To achieve this objective, the research used a systematic review of the literature. In doing so, it was possible to investigate the assessment tools employed in these countries.

3.2.1 The Inclusion Criteria

As mentioned above, a systematic review of the literature was used and the research employed several inclusion criteria to search and select the most relevant articles, to ensure content relevance. Therefore, only those articles that cover not only nonprofit organizations, but also the assessment tools were selected. Secondly, the studies had to be less than six year-old. With this criterion, it was possible to focus on the latest inclusion tools, those based on the latest pieces of empirical evidence.

3.2.2 Procedure for Data Collection

The process of identifying the relevant studies and mining data from these studies started with the selection of the online database. The research used PROQUEST, an online search engine dedicated to scholarly materials. The database allowed to pick relevant studies by adjusting the settings. In particular, setting the year range ensured that the search engine selected studies that fell within the required range of five years or less. The database also had the option of choosing peer-reviewed articles only, which was crucial in selecting only those studies that provided empirical evidence. The keywords used to search the articles were “assessment tools” and “non-governmental organizations.” The combination of the two phrases allowed to find 4,255 hits. The next step was to open the relevant studies by first skimming the abstract, followed a perusal of the entire articles that showed promising content as per the abstract.

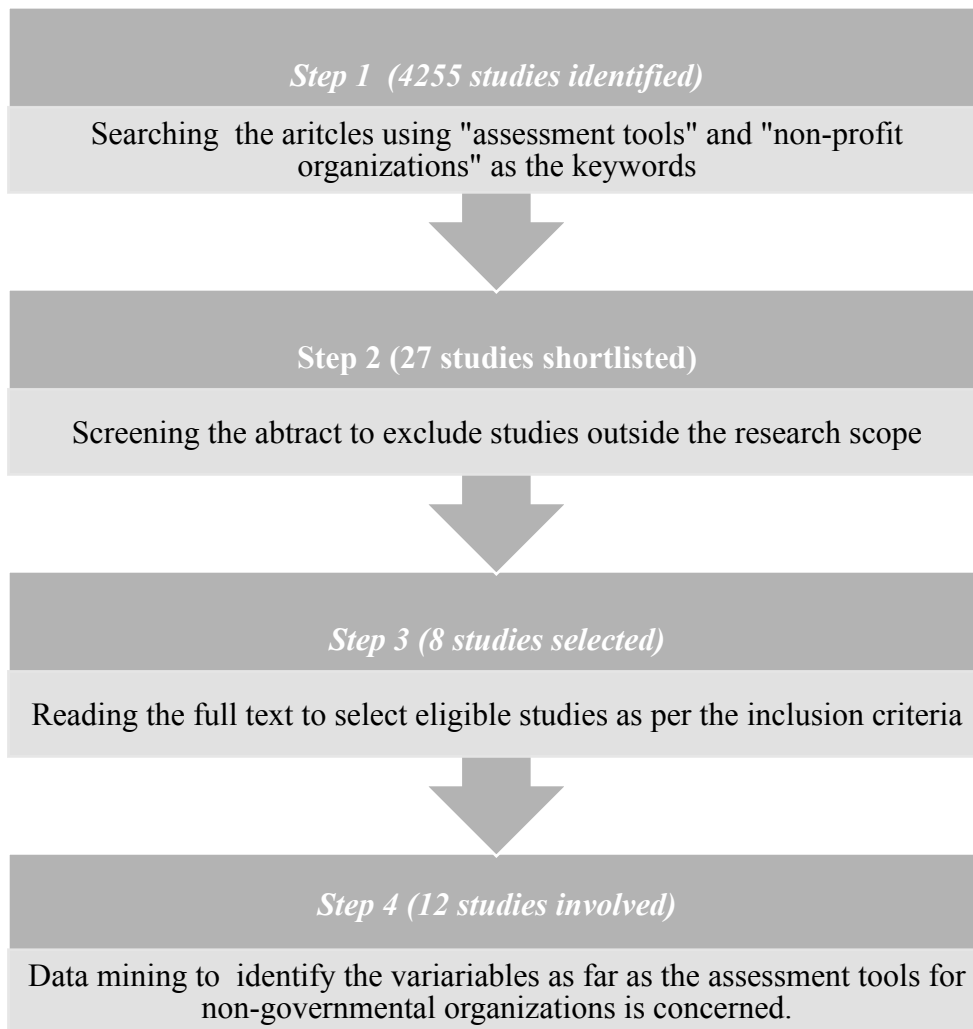


Figure 1: The procedure for the selection of studies and collection of relevant data

3.4 Ethical Issues

To ensure that the research was authentic, the research required permission from the relevant authorities. Obtaining permission played an integral role in avoiding the legal ramifications that the research could possibly face and enabled obtaining requisite

guidance to conduct the research. The respondents were promised to uphold the confidentiality of the information they provided, assured them that it would only be used for the research and would be discarded thereafter, thus avoiding any risks that might lead to concealment of valuable information.

Section 4. Data Analysis

As indicated in Section Three, this study employed a qualitative approach through the interview method. This section presents the outcome of the qualitative analysis of the interview and meta-analysis. It begins with the findings from the interview. The thought was to get deep insights from experts involved in the establishment and running of nonprofit organizations in Saudi Arabia. In particular, the outcome of the establishment of Saudi nonprofit organizations and the reasons for establishing such organizations are reported. Other crucial information included organizations that do not rely on profits generated from their operations. To facilitate comparison, this section examines the findings from other parts of the globe through a thorough review of the literature, as described in Section Three.

4.0 Interview Qualitative Analysis

4.1.2 Descriptive Analysis of the Interviewees

Three interviewees were involved in this study. These individuals hold senior positions in their respective organizations. As directors, the interviewees were in a position to provide crucial insights regarding the operations within their organizations.

All of the directors were women, which is a clear indication of the crucial role that Saudi Arabian women can play in sustaining an organization that is not-for-profit. With an experience of 19 years, Interviewee 3, Ms. Suzanne Alghanem demonstrated that women have been playing a critical role in running not-for-profit organizations in Saudi Arabia since the beginning of the 21st Century. Another crucial demographic information regarding the interviewee was the role they play in establishing or sustaining the operations of their respective organizations. For instance, Interviewee 1, Ms. Lujain Al-Ubaid is the co-founder of Tasamy for Social Entrepunership, while the second and third interviewees started working with already established foundations. However, it is worth noting that they played a critical role in the establishment of these organizations, since they joined them during the process of establishment. The fact that they started working as senior directors provides a hint of their crucial role in bringing the organizations to their current state.

4.1.2 Descriptive Analysis of the Organizations

The interviewees provide crucial insights regarding the foundations and organizations they lead. Regarding the establishment of nonprofits, two of the three organizations have been in operation for more than a decade. As Table 1 shows, one of the organizations was founded in 2001 while the other was established in 2002. Interestingly, all the three organizations, including the youngest, are run by Board of Directors. The presence of such boards shows the maturity and professionalism with

which these organizations function. For instance, Interviewee 2, Ms. Al-Bandri stated, “I sit on the board with three other members and we have 13 advisors in various industries.”

The presence of these advisors is a clear indication that Saudi Arabian nonprofits are advanced entities that bring together various experts. Similarly, Interviewee 3, Ms.

Alghanem indicated how ten board members run the affairs of her organization, under her leadership as the Director.

Table 1: A descriptive analysis of the organizations

Interviewee	1. Lujain Al-Ubaid	2. Al-Bandari bint Abdulrahman Al-Faisal	3. Suzanne Alghanem
Organization	Tasamy for Social Entrepunership <ul style="list-style-type: none"> A nonprofit organization that focuses on finding sustainable solutions to social problems by encouraging and empowering youth, entrepreneurs, private and governmental sectors to achieve social entrepreneurship 	King Khalid Foundation <ul style="list-style-type: none"> A royal, family run foundation that aims to build & strengthen the capacity of nonprofits and private sector companies in KSA 	Down Syndrome Charitable Association <ul style="list-style-type: none"> Provides an invaluable safety net for families of children with down syndrome
Established	2012	2001	2002
Position	CEO & Co-Founder	General Director	Secretary General
Presence of Board	“Yes, we have a mixture of board members and advisors.”	“Yes, currently we have ten who sit on the board, including me as the Director General.”	“Yes”
Need for Impact	“We do not currently generate impact reports to the public, but there is a high demand for it from funders and donors. This is why it is essential to establish that now”	“	“The need for evaluation and impact report is essential to every nonprofit. Sadly, we don’t have qualified

			employees to do it properly”
Identifying the needs of the target group	“When I first started, I saw that Saudi Arabia had limited NGOs. And when I did research on why young people didn’t want to start their own NGOs or be part of the non-profit sector, they all said ‘it is not going to make money’”	“I was always interested in helping others and have been involved in many charities in the Kingdom”	“At DSCA, we provide various programs for children with Down’s syndrome and work to empower families and children with the affliction”
Challenges	Financial challenges that bring about unsustainability	Lack of talented individuals, lack of data and lack of governmental guidelines	Financial challenges, unqualified employees

1.0 Results from Meta-Analysis

As indicated in Table 2, a total of 8 studies, conducted between 2010 and 2015, were included in the systematic review. The majority of the studies were conducted in the United States and the remaining few in other parts of the world. As Table 3 shows, several assessment tools were covered in these studies. Therefore, this section focuses on the challenges associated with assessment tools. The second research objective was to identify lessons that Saudi Arabian nonprofit organizations can learn from similar organizations in other countries. This section provides the conclusions and findings of different groups and individual scholars in this regard.

Table 2: Articles included in the study

Articles	Authors	Year	Country	Specific tools
1	Vaughan	2010	USA	Reports

2	Al-Tabbaa, Gadd & Ankrah	2013	USA	Interviews and reports
3	Krishnaveni & Aravamudhan	2013	Universal	Various assessment tools
4	Krause, Malcolm & Bhatia	2010	USA	Surveys, interviews, checklist, and grid
5	Arvidson and Lyon	2014	UK	
6	Eschenfelder	2010	USA	Community-based assessment tools
7	McDonald, Weerawardena, Madhavaram & Sullivan Mort	2015	-	Multiple tools
8	Jones & Mucha.	2014	USA	A wide range of assessment tools

4.2.1 Challenges Facing Non-profit Organizations

Of the challenges facing nonprofits, it is evident that financial issues are major and universal. Most scholars agreed that donor funds have been on the decrease over the years (Figure 3). However, various reasons are attributed for the shrinking sources and size of revenue. For instance, competition from newly-established non-profits makes it difficult for donors to keep their commitments; reducing donor funding to existing organizations appears to be the only option for donors to accommodate new ones (Table 3). The poor economic climate is also blamed for the dwindling funds currently available for non-profits. Regarding the challenges associated with assessment tools, the scholars

were unanimous that it is difficult to employ a single assessment tool that can be universally applicable. Apparently, the organization and country-specific challenges make it necessary for organizations to adopt specific tools (Table 3). On the same note, the fact that some assessment tools are costly makes it difficult for some nonprofit organizations to conduct continuous assessment.

Table 3: A summary of the Challenges Facing Nonprofit Organizations

Articles	Financial challenges	Assessment tools' challenges
1	Shrinking revenues Formed to address the interests of donors rather than target groups.	Lack of a single criterion by which to judge performance of nonprofits.
2	Uncertainty of government funding and the decline of private donations due to economic difficulties.	Unlike for-profit organizations, it was more difficult to define quality from an NPO perspective.
3	Unreliable donors since the finances are not always availed as planned or promised	Organizational Capacity Assessment tool helps identify where focus and resources are needed, but it fails to take into account the organization's size, life stage or types.
4	Concepts and tools, which have been initially designed for the for-profit sector, can be deployed by nonprofit organizations.	Existing assessment tools assume that there is a consistent organizational norm across cultures and different sizes of organizations, which is not a valid assumption.
5	The ability to show how resources but fail to show and justify what has been achieved	Lack of accountability and mismanagement.
6	Nonprofits are being impacted by decreasing private charitable donations and cuts in funding from government and private foundations.	Few organizations can afford the resources necessary for the design and implementation of assessment tools to confirm the social impact of their activities
7	There is a growing intra-sector competition for donors, grants, and	The complexity of organizational form, legal structure and scope makes it difficult

	government; therefore, the revenue for non-profits keeps on shrinking.	to adopt a universal assessment tool.
8	Decreasing funding making it difficult to adapt assessment tools that measure outcomes.	Nonprofits are just focusing on meeting minimum requirements; therefore, their current assessment tools are insufficient.

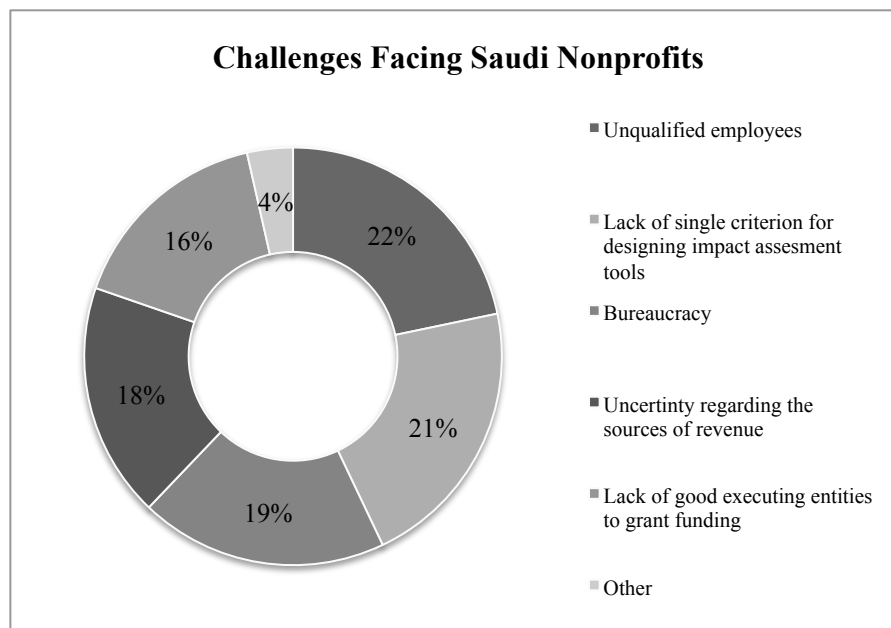


Figure 2: Challenges facing Saudi Nonprofits. Adapted from "Nonprofits in Saudi Arabia: 2016 Statistics" Report. Retrieved from <http://www.kkf.org.sa/ar/Advocacy/Research/Pages/SFR.aspx>

4.2.2 Suggested Solutions

As Table 5 shows, scholars have suggested various solutions and recommendations for nonprofit organizations, as far as assessment tools are concerned. For instance, Article 3 in Table 4 below emphasizes the need for nonprofits to improve their assessment tools through brainstorming and conducting focus group discussions. Article 1 focuses on the need for involving local government and other external

stakeholders in adopting an assessment tool. However, the scholars seemed to agree on the need to have several assessment tools.

Table 4: A Summary of Suggested Solutions

Articles	Solution 1	Solution 2	Recommendation summary
1	Involvement of local government in regulation and assessment.	Having a variety of assessment tools to examine different aspects of the organizations.	Use of reports as an assessment tool to examine cost-effectiveness.
2	“Best practice” benchmarking to borrow ideas on effective assessment tools.	Assessment tools that focus on evaluating individual programs.	The European Foundation for Quality Management (EFQM) model applies to NPOs as a self-assessment tool.
3	Organizations should always improve their assessment tools through brainstorming and through conduct of focus group discussions.	There is a wide variety of assessment tools; therefore, organizations should identify the best, depending on their size and other organization-specific needs.	Organizations can identify key assessment areas in their activities, programs and functions, and can customize all the capacity indicated in the above assessment tools. These can then be used to determine the existing capacity level, capacity deficit and the causes of such deficits.
4	The commitment of leaders encourages a successful adoption of assessment tools.	Appropriate steps should be taken at the planning stage itself to include assessment tools.	Reliable and replicable tools that allow longitudinal assessment of capacity enable the most rigorous assessment of organizational development.
5	Accountability of leaders	There is a need to measure social impact by adopting assessment tools for outcomes.	Accountability and commitment of leaders can assist non-profits to get the right experts and resources for outcome assessment.

6	Separate projects should have their own assessment tools.	Non-profits must have need assessment to ensure that they can assess the specific needs of the target groups.	More than one assessment tool should be deployed, to accommodate all important areas.
7	It is necessary to consider the financial implication of assessment tools.	Assessment tools should focus on the mission.	There is a need for non-profits to choose assessment tools that allow them to balance financial survival with the achievement of their mission goals.
8	It is no longer sufficient for non-profits to meet the minimum requirements of accountability; therefore, they should consider adopting various and adequate assessment tools	Assessment tools should consider both operation sustainability the social impact of the activities of non-profits.	There is a need for non-profits to consider assessment tools that test the sustainability of their expenditures and the outcome.

Section 5: Implications and Recommendations

As indicated in the introduction, this study focused on three aspects relating to nonprofits in Saudi Arabia. Data was collected through the interview method. The questions used were open-ended and thus afforded adequate room for capturing the true feelings of the individuals interviewed. The interviews were formulated with six questions, each aimed at collecting specific information geared towards answering the questions with the objective of the study in view. The research was aimed at collecting information that was important to Saudi Arabia's nonprofit organizations. As a starting point, key information about the well-established organizations in the field was vital. Thus to elicit such crucial

data, the interview sought answers for six key questions designed to capture this vital information for starting sectors. The points of interest here were the way these organizations came into being, whether they started at the grassroots level helping individuals on an informal basis or they just plunged into the community as an already established organization. Secondly, the study sought to establish the key contribution of individuals, and to understand crucial elements in the actualization of the whole idea of a nonprofit organization. In this question, the study sought information from the interviewees concerning the key role of the nonprofit organization vis-a-vis the public. The entire exercise was aimed at painting a clear picture of the role of nonprofit organizations in the community, as well as succinctly defining the motivation behind the founding of such organizations. The third question in the interview was aimed at understanding the mechanism of running nonprofit organizations. At this point, the study was looking at revealing the factual picture behind the often-mysterious running of a nonprofit organization. Because it is a nonprofit organization, all interested new players tend to question the financial sources. The fourth question focused on shedding more light on the true meaning of a nonprofit organization, to develop an understanding of the key sectors in its business and the involvement of the government in the functioning or supervision of the organization. The fifth question related to the administrative role and procedural aspects of the organization, for ascertaining the key management areas of a non-profit organization that need to be strengthened, for achieving smooth and

sustainable operations. Lastly, the study focused on finding out the each organization's vision for the future, seeking to paint the picture of "will of continuity." Each organization has its own view of the future and sets its goals accordingly.

Senior representatives of three organizations were interviewed and the results collected is detailed in Table 1. Based on the results from the three interviews, we can draw a conclusive argument that can be used as a reference for the development of nonprofit organizations in Saudi Arabia. The conclusive analysis will be focusing mainly on the lessons that Saudi Arabia's nonprofit organizations can learn from these developed countries, challenges that face such enterprises and understanding how these impacts can effectively utilized. When we consider the aspect of how these nonprofit organizations are founded, it is evident that most of them institutions are anchored on two key factors: passion and experience. According to Interviewee 1, who is a dedicated CEO, her organization started as an informal one, based on the passion for helping people. This passion, together with the prior experience and with like-minded family members, assisted in further enriching the spirit of helping people. There was the need to learn and push this mission of helping people. Lujain Al-Ubaid explains that he had volunteered at AlGhad forum, and had been an agent for SADIG. All these prior exposures facilitated the starting the organization. The case is not different from other interviewees, who were quick to relate their success to their passion for serving and solving problems, irrespective of whether or not they were making profits. For example, Interviewee 2 had a

great interest in helping people and was involved in charity foundations at an early stage. Therefore, it is thus evident that the idea of founding or working with a newly-established not-for-profit organization is a bold move that is intimately linked to one's passion, commitment and dedication. In other words, the seeds of the idea are sown considerably ahead of the actual formation of the start-up. It is also perceptible that most of these organizations start as individual initiatives at the grass root level, before actualization into formal entities. As the third interviewee observed, her career in the nonprofit organization was also linked to her childhood aspirations.

It is necessary to dwell on the key role of nonprofit organizations to the immediate community. The most critical question is how they are of assistance in solving a specific problem or broad range of problems plaguing society. On consideration, three roles come into play; first is the aspect of identifying what the community has that is valuable, but is not put to use. Secondly, the study identifies the means through which these valuable aspects can be bettered. Thirdly, the study identifies the sort of help the organization can offer these valuable elements, in terms of nurturing them. For Lujain Al-Ubaid, her program initiatives that aimed at motivating innovation, it is clear that the overriding objective is to assist the community. Furthermore, the organization took the initiative to support the member of the community financially, as well as through the provision of legal assistance. The same play of events is seen in the case of the organization under the leadership of Interviewee 2, Ms. Al-Bandri which capitalized on initiating community-

based programs aimed at fostering social and economic development. The organization in this move gears towards what they term as the national development program, which is all about giving back to the society at large. The narrative of Interview 3, Ms. Alghanem too paints the same picture of community service. The organization works at empowering families and children with Down's syndrome. It further offers aid and assistance to such children (by way of education) and their families in a form social support. It is evident here that a nonprofit organization should therefore strive to make a major social impact on the community in which it operates. One major factor revealed by the study relating to social impact, is the understanding of the ethos of an NGO as a commitment to service and not a money-spinning mechanism. Lujain Al-Ubaid notes that the reasons why many young individuals in Saudi Arabia don't want to start nonprofit organizations is because they so do not perceive it as a commercially rewarding venture.

The third aspect that upcoming nonprofit organizations should take a keen interest in, is the understanding of the sources for funding a nonprofit organization. The study draws on the three interviews to formulate a conclusion on charitable donations. Some of the foundations are receiving donations from the government, while others are being funded by family, as well as external sponsors. The results reveal that the secret of good finances is anchored in good relations with donors and the government. The previous studies provided crucial insights that explain the responses of Saudi Arabia's directors in relation to the operations of their companies. For instance, Krause, Malcolm & Bhatia (2014)

observed that vetting not-profit organizations for the grant is a critical step that determines whether an organization will receive donor support or not. On the same note, it is worth noting how researchers agreed on the need to include an assessment tool during the establishment of an organization, which makes it easier for such organizations to justify the funds they request.

It is noteworthy that financial issues take center stage in all the studies, when it comes to assessment tools. At first glance, the main objective of the assessment tool is to determine whether the work done or service rendered is worth the time and resources invested.

Vaughan (2010) argued that nonprofits are more focused on achieving the goals of donors, than the visions of their own founders. Evidently, the lack of an effective assessment tool is to blame for the shift of goals, which makes it difficult for these organizations to fulfill their mandates. The results from the interview revealed how Saudi Arabia's not-for-profit organizations depend on various donors. Therefore, there is a high likelihood that these organizations face the same, seemingly universal, financial challenges.

Evidently, most of the scholars agree that it is impossible to have a single assessment tool as a universal parameter for measuring the performance of non-governmental organizations. Krause et al. (2014) presented the argument in the best way possible by highlighting how non-profit organizations differ in their size, the cultural background of donors and the target groups.

Interestingly, the assessment tools examined by the majority of the scholars measure the utilization of resources, as well as the outcome. As Arvidson & Lyon (2014) argued, accountability becomes meaningless, if the organization has not achieved its objective, as far as social impact is concerned. In the interviews, the senior directors working for the Saudi Arabia's NP's were quick to point out how they are assisting their target groups in various ways. For instance, Ms. Al-Bandri provided a detailed account of how her organization has assisted society by undertaking some projects; she explained how they had funded social and economic projects including research, policy development, and capacity building. What is lacking, according to Arvidson & Lyon (2014) and other scholars, is an assessment tool for measuring the social impact. With such a tool, it will be possible for the directors to give statistical evidence to back up their claims.

Section 6: Conclusions and Recommendations

6.1 Conclusion

To sum up, this study provides crucial insights into the establishment and operations of non-governmental organizations in the not-for-profit sector in Saudi Arabia. The involvement of highly experienced senior directors provided the much-needed platform for critically examining the specific opportunities, challenges, and threats facing Saudi Arabia's nonprofits. The study reveals that the Saudi government has the requisite framework for the functioning of non-profit organizations in the country. The government has a member of the board of trustees that are charged with the responsibility of coming up with the policies that help in the management of non-profit organizations. This organization in leadership sectors is defined much deep within this organization themselves. Across all the three interviews conducted, one thing was clear; each organization has a Board of Governors. The interviews also revealed that all the organizations wanted to forge ahead in serving the country. It is further evident that there is a scarcity of such services offered within Saudi Arabia, with most of the organizational heads interviewed emphasizing the need to empower more individuals into establishing such programs.

The responses, in general, tell us that the sector is faced by social impacts. The levels of social setting and development in Saudi Arabia are low, contributing to the low impact of

nonprofit organizations in this country. It is important to note that these organizations thrive based on charity. When we look at social standpoints, the pillars of nonprofit organizations are weakening. Secondly, economic impact plays a key role in this sector. It is only too evident from the study that financial aid in this sector is anchored mainly on government initiative. Due to this and the current poor economic state of Saudi Arabia, nonprofit organizations are under-financed and thus struggle for their existence and for the delivery of their avowed goals. The poor perception of the whole issue about the development of nonprofit organizations has seen the country struggle in developing the sector, compared to the developed states. For instance, one of the Interviewees pointed out a crucial matter of mindset: most of the Saudi Arabia's youth look at nonprofit organizations as non-sustainable, incapable of earning money and not good enough for them; hence most of the youth opt for service in the government or private sectors, failing to understand that actual life does not revolve not around an individual, but rather a sustainable community. Lack of this realization amongst the youth poses a formidable hindrance to the setting-up and running of most non-profit organizations in the country. The low development in this sector compared to other developed countries is a major obstacle in the path of social well-being of the target population.

6.2 Recommendations

The analysis of studies on assessment tools provides crucial insights on how Saudi Arabia's directors can improve their assessment tools or adopt new ones. There is a need

for Saudi Arabia's nonprofits to choose assessment tools that allow them to strike a balance between fiscal survival and achieving their mission; therefore, the assessment tools should focus on need assessment, accountability, and social impact. In doing so, it will be possible to adopt and convince donors that they are achieving their objectives and economizing their operations at the same time.

Saudi Arabia should consider the specific factors involved, as far as the Kingdom, its culture, and its organizations are concerned. From the outcome of previous studies, it is clear that there is no single assessment tool that suits all. Therefore, taking into account the country-specific needs, challenges, and opportunities will assist in adopting the best assessment tool. Saudi Arabia's nonprofits should also consider adopting multiple assessment tools, depending on the functions that require assessment. For instance, the assessment of the target population's needs is different from the assessment of the outcome. Employing assessment tools that are tailor-made for the specific objectives will assist in ensuring that all the important areas of concern are covered.

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