NON PROFIT ORGANIZATIONS AND STRATEGIC MANAGEMENT:

THE NATIONAL BUDGETING CONFERENCE

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ABSTRACT

This study investigates the phenomenon of a communal Jewish organization, the National Budgeting Conference (NBC). In essence, the NBC is in charge of allocating money to national organizations through contributions collected from each local community. This unique arrangement doesn't exist in other Jewish communities around the globe; the common procedure is that every local federation allocates money for the local needs.

The objective of this dissertation is to follow the activities of the NBC from a strategic management point of view. So far, almost the entire body of literature on Jewish organizations stem from a political science and an ethnicity point of view. My assumption is that by conducting the study from a management perspective, I have been able to research topics that usually do not receive a lot of attention in literature about Jewish organizations; some of these topics include whether and to what extent environmental elements in the community, as well as power relations, influence the decision-making process. I also focused on the NBC's structure, outcomes, and chances of survival. I concluded that the NBC operates within a very fluid and unstable environment, and as a result, it will have to monitor its interests carefully and adapt in a slow, incremental fashion if it wishes to increase its chances of survival.

RÉSUMÉ

Cette étude porte sur le phénomène d'une organisation
communale juive, la National Budgeting Conference (NBC). La NBC
est essentiellement chargée de répartir entre les organisations
nationales l'argent obtenu grâce à des contributions recueillies
par chaque communauté locale. Cet arrangement unique n'existe
dans aucune autre communauté juive du monde ; normalement, chaque
fédération locale attribue de l'argent en fonction des besoins
locaux.

L'objectif de cette thèse est de suivre les activités de la
NBC d'un point de vue de gestion stratégique. Jusqu'à présent,
presque toute la littérature consacrée aux organisations juives a
été écrite des points de vue de la science politique et de
l'ethnicité. Je pars de l'hypothèse selon laquelle en conduisant
cette étude du point de vue de la gestion, j'ai pu étudier des
sujets qui ne sont pas traités habituellement par la littérature
sur les organisations juives ; citons notamment la question de
savoir si, et dans quelle mesure, les éléments environnementaux
de la communauté, ainsi que les rapports de puissance,
influencent le processus de prise de décisions. J'ai également
étudié la structure, les accomplissements et les chances de
survie de la NBC. Ma conclusion est que la NBC fonctionne dans un
environnement très fluide et instable. Par conséquent, elle va
devoir surveiller ses intérêts de très près et s'adapter très
lentement, étape par étape, si elle désire augmenter ses chances
de survie.

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INTRODUCTION

Society cannot govern without institutions to respond to the vital needs of the collective, as well as to the needs of the individuals that comprise society. While institutions have a number of central tasks, primary among them is the continued existence of the collective; the collective, in turn, depends on the ability of the institutions to connect to the environment within which the institutions exist, as well as to act as a vanguard on the collective's behalf. One of the most important measures of the success of a group's function is to assess to what extent the group pursues the functioning of its own institutions.

The Jewish communities, measured by the above standard, are considered "over organized"; more extreme elements view this manifestation as a state within a state. Profound differences do exist between the individual institutions of the Jewish communities, but nevertheless, it could be stated that the communities do function as a sort of government (albeit in a relatively narrow sense).

The objective of this dissertation is to follow the activities of a national Jewish institution, the National Budgeting Conference, from a strategic management point of view - that is, to find out whether and to what extent environmental elements in the community, as well as power relations, influence the decision-making process. This will be done by tracing the NBC's structure, activities, outcomes, and determining its chances of survival.

This dissertation was written in the midst of significant changes in the NBC's environment - there were discussions about whether its operations, regulations and procedures should be changed and modified. Despite efforts to ensure that the statements in this document are current, events may have overtaken some of the practices cited here.

METHODOLOGY

This dissertation employed the case study approach in its research of the NBC. This approach has been stereotyped as a weaker sibling among social methods (Yin, 1984). It has also been suggested that those who employ it have not maintained a hard line on their academic discipline because the case study method may lead to investigations lacking exact precision, objectivity and rigor.

But this criticism presents a paradox: if the case study method contains flaws, why is it used extensively in social science research (including the traditional disciplines of psychology, sociology, political science, anthropology, history and economics) and such practice-oriented fields as urban planning, public administration, public policy, management sciences and education?

I feel the answer lies in the fact that, when applied correctly, the case study approach can be a powerful method for discovering elements that cannot be discovered in a quantitative analysis. For this reason, the approach was found to be quite appropriate for my investigation of the NBC.

Elazar (1970) developed a typology to study Jewish communities that stresses demography, structures, functions, and activities.

All studies of Canadian Jewish communities (which were based on the Jerusalem Center for Public Affairs) applied this method of research. In the earlier studies, the reputational approach was used extensively. However, as Elazar and Waller (1990) mentioned, critics of this framework claim that the critical issue in the research of the communities is to find out exactly how decisions were really made rather than relying on reputation interviews. Another method, developed by Bachrach and Baratz (1970), stresses that many political outcomes are the result of "non-decision".

In my study, the NBC was researched in several ways. Interviews were conducted (on a reputation basis) with lay people, salaried professionals at the NBC office in Toronto, and with other members of the Jewish community. I also put a lot of emphasis on written material; i.e., - documents relating to the organization, such as memos and reports, and published works on past strategies of the NBC were examined.

CHAPTER 1

LITERATURE REVIEW

<u>Introduction</u>

Since 1776, American Jews have been transformed from a group of perhaps 2500 persons, linked together through a scattering of congregations, into a highly organized body of six million individuals comprising half the Diaspora, with institutions and programs for all Jewish needs and purposes.

In the last two decades, there has been evidence of a growing recognition of the primacy of the structural and institutional aspects of U.S. Jewish life. The commitment of individual Jews and Jewish families to Jewish life is obviously a prerequisite to the existence of a flourishing Jewish community - a community whose character is ultimately shaped by the institutions that Jews create collectively. From a purely political point of view, it would appear that big organizations are the leading political actors (certainly these organizations have a greater continuous existence than other political groupings). Furthermore, the role of individuals tends to be played down in the course of organizational life.

One of the questions that appears on the agenda each time a study is done on the Canadian Jewish community is whether and to what extent is it justified separating the Canadian Jew from the U.S. Jew (Hundert, 1988).

In arriving at an answer, it is helpful to look at how the Canadian Jewish community developed. Because the Canadian polity was based primarily upon French and English components, Jews entering the country encountered what to them was an unusually complex and somewhat inhospitable environment. Of course, assimilation was not helped by the fact that few of the earlier Jewish immigrants, most of whom were from Eastern Europe, had little exposure to French and English civilizations before going abroad. Had they at least had some exposure to these civilizations in the Old World, they might have acquired enough of a cultural patina to make assimilation easier (Elazar and Waller, 1990).

These immigrants brought along the vitality of the Eastern European Jewish community, and instilled it in the Jewish institutions they started in Canada. Because they did not have to overcome the blandness that pervaded Jewish institutions in the post-Emancipation West, Canadian Jews had a stronger cultural, national, and religious sense than the founders of the U.S. Jewish community. While this created a traditional institutional fabric that may have made Canadian Jews feel more "Jewish," it also slowed assimilation by creating a separatist attitude not found in the U.S. Jewish community (Elazar and Waller, 1990).

Elazar (1980) noted that the way of life for U.S. Jews, as with the general U.S. population, demonstrates a clear tendency towards the direction of noncentralized decision-making (although one can observe, according to Waller, a tendency in the last decade toward a more centralized approach on the local level). That means one does not find in the U.S. Jewish community a single centralized body that can decisively and directly influence the process of decision-making. Instead, one finds local communities assuming the function of decision-making, and each local community existing on the basis of its own legitimate and independent prerogative.

The result is that one does not find in the U.S. Jewish community an umbrella organization serving as a central determinant, as in the Canadian Jewish community. As Waller (1981) noted: "the Canadian Jewish Congress (CJC) was established in 1919 to represent all Canadian Jews and their various organizations to governments, foreign Jewish bodies, and the outside world in general." For this reason, according to Waller, Canadian Jews are accustomed to the notion of unified representation in a way that U.S. Jews are not.

Literature on the North American Jewry

Given the size and status of the American Jewish
community in international Jewry, it is not surprising a
large number of analyses have focused on its organizational
dynamics and its adaptation to the American social and
political milieu. (The former has been addressed by:
N. Cohen, 1972; Elazar, 1980 and 1989; Gitelman, 1992;
Liebman, 1973; Porter, 1978; Stock, 1970; the latter by:
Berlin, 1978; Fuchs, 1956; Isaacs, 1974; Waxman, 1983.)

Given the small size and relative youthfulness of the
Canadian Jewish community, literature on it is thin.
However, recent concern with ethnicity has prompted interest
in the community's history and its organizational dynamics.
(The former has been addressed by: Arnold, 1975, Gutkin,
1980; Hart, 1926, Kallen, 1977; Lazar and Sheva, 1981;
Paris, 1980; Rosenberg, 1959 and 1970; Sack, 1960; the
latter by: Bowerman, 1975; Cohen, 1974; Elazar and Waller,
1990; Glickman, 1974; Gordon, 1974; Greenspan, 1974;
Oberman, 1974; Rich, 1974; Waller, 1974, 1977, 1980, 1981a
and 1981b; Waller and Schreter, 1974; Weinfeld, Shaffir and
Cotler, 1981.)

Regardless of the size and the descriptive and analytic quality of literature available on North American Jewry, one serious deficiency remains: there has yet to be a serious attempt to analyze the Jewish organizational network from a management point of view. The research conducted so far on the Jewish organizations in North America has been done from a political science and ethnicity point of view. The differences are not just semantical; as I will argue, the researcher's point of view does influence the questions in which he asked or focused on, if even not the results.

Taking a political science view, an organization has goals, and makes decisions directed at attaining those goals; to that end, management must recruit, train and motivate organizational participants. The organizational theory views an organization as a coalition comprised of varying groups and individuals, each with different demands. (This perspective was developed by Cyert and March (1963) in their critique of conventional economic treatments to the theory of the firm.) The coalition model of organizations posits that for coalition participants, the inducements for belonging must outweigh the costs of belonging. This creates a constant balancing test between remaining in the coalition or altering participation; the allocation of resources, the policies and policy commitments are part of this test, but they are bargaining chips as well.

Since an organization is seen as a coalition of many participants (each with its own goals), there is little meaning to the idea of collective organizational goals. In fact, this view intimates there will be a conflict over objectives, rather than consensus over goals.

The other dimension (as noted by Hall and Quinn, 1983) to the conceptual issue in Jewish organization research is the lack of cooperation between public policy theorists and organizational theorists. Public policy has not addressed the issues organizational theory sees as highly problematic; organizational theory has ignored the political and economic issues that affect its subject matter. This problem has three parts: it is organizations that implement public policy; it is an organizational setting in which public policy is formulated; and, organizations are the object of public policy. While these interconnections appear obvious, little attention has been paid to them. In this dissertation, I tried somewhat to narrow that gap - the conceptual basis of the dissertation is strategic management; that is, the interlocking area between organizational theory and policy. This approach dictated that the conceptual literature that guided this paper could not be the traditional studies of Canadian Jewish community organizations done by the Jerusalem Center for Public Affairs, but rather a strategic management study.

Nevertheless, a portion of the factual data and background
material was taken from these studies and especially from
the recent book by Elazar and Waller (1990), "Maintaining
Consensus".

Another observation on the research of Jewish
organizations is that so far, it has been conducted mainly
from a cultural point of view, and that the environmental
school has not emerged with equal prominence in Jewish
organizations' literature. As a firm believer in the
environment-organization interdependencies (for further
discussion of this approach the reader should refer to the
section "Organizations and Environments"), I have made an
effort in this dissertation to research the NBC from this
point of view. Therefore, the main body of literature
applied in this paper is from the environment school.

However, one cannot overlook a meaningful cultural
approach theory on authority and power in Jewish
organizations -- namely, the three *ketarim* domains developed
by S. Cohen (1982) and cited by Elazar and Waller (1990).
These three *ketarim* (crowns) are identified as: *keter torah*,
the domain of the Torah; *keter kehunah*, the domain of the
priesthood; and *keter malkhut*, the domain of civil
governance (literally, the crown of kingship).

The distribution of authority and power across the three *ketarim* have had a controlling effect on the polity of Jewish life since as far back as Biblical times. But while the authority and power have and will continue to ebb and flow between the *ketarim*, each *keter* plays a role that is critical to the survival and development of a more complete Jewish life; therefore, each *keter* is vital.

The division of authority and power has always had a controlling effect on the Jewish people, but not in the same sense as the modern-day separation of powers found in the governments of limited states. The *ketarim* is for comprehensive polities, placing it ahead of the executive-legislative-judicial division, and causing it to rely more heavily on the functions, institutions and roles found within each *keter*.

The domain of the *keter torah* is the preservation of the Torah, its laws, and its principles, as well as the spirit in the life and governance of the Jewish people. Moses, as the first prophet, was the first to bear this *keter*. After the age of prophecy, it passed to the Sanhedrin, with its *hakhamim* (sages) and rabbis. Traditionally, those within this *keter* have acted as teachers and judges.

The domain of the *keter kehunah* is the ritual and sacerdotal expressions of Jewish being. These expressions, designed to bring Jews individually and collectively closer to heaven, are also the manifestation of the fact and character of the Jewish people. The Torah gave Aaron and his heirs this *keter,* yet it is primarily associated with the *cohanim.* After the Second Temple was destroyed, the functions of the *keter kehunah* went to other religious functionaries, including *hazzanim* and, more recently, congregational rabbis. The nature of this *keter* confines its scope to Jewish organizations that operate on the local level.

The civil business of the community falls within the domain of the *keter malkhut.* This would include the political and communal institutions, with their attendant political and civic affairs, and the collection and expenditure of funds necessary to run the community. The oldest *ketarim,* this *keter* is bound (as are the others) to the "constitutionalism" of the Torah, and has been seen as an authority with its own institutions, responsibilities and tasks since the beginning of the Jewish people. It arose out of the patriarchal leadership of the original Israelite families and then passed to the *nesi'im* (magistrates), *shofetim* (judges), and *zekenim* (elders), and the *melekh* (king).

When Jewish political independence came to an end in Eretz Israel, it was carried on by the *nasi* (patriarch) in Eretz Israel, the *resh galuta* (exilarch) in Babylonia, the *negidim* of Spain, and the *parnassim* (officers) of the *kehillot*.

The *ketarim* has continued to form the basic pattern for Jewish people and their communities in modern times, but it has gone through changes. In 19th century Western Europe, the *keter kehunah* grew stronger as Jews became more religious-oriented; this was happening despite the fact that Jews were no longer considering the Torah binding law. The strengthening of the power within the *keter kehunah* transferred to the synagogues and their rabbis.

Today, with the reestablishment of a Jewish state in Eretz Israel and an altered orientation of Jews in the Diaspora, the *keter malkhut* is seeing a resurgence among the Jewish polity. This power shift is being facilitated by the narrow approach taken by the traditionalists in the *keter torah*, combined with a growing secularization of Jews that has made that domain and the *keter kehunah* less attractive. While these domains became fragmented and each claimed to be authoritative, the *keter malkhut* remained the "neutral ground" where everyone could meet (albeit for limited political purposes) and strengthened its position in the *edah*. This shift shows that in a political world, the one who holds the key to the political power holds a clear advantage over the others.

Although the power appears to be resting more securely in one *keter* than the others right now, the latest shift is only one of many in the history of the Jewish people. The continuing and dynamic tension among the *ketarim* assures this balance will change again.

As I already mentioned, my point of departure will be social-environmental rather than cultural. Therefore, my interface throughout this paper with cultural theories will be very limited.

The Public-Private Distinction

"An organization, after all," says Alvin Toffler in Future Shock, (1970) "is nothing more than a collection of human objectives, expectations and obligations."

For the most part, organizations have been looked at in one of two ways: it has objectives, and the primary concern of management is effectively recruiting and directing (through education and motivation) people within the organization towards meeting these objectives; or it is comprised of coalitions, each made up of different groups and individuals with their own set of demands and objectives. Under either view, how resources, policies and commitments to those policies get distributed are the objects of intense bargaining.

Lately, scholars have been looking at organizations in another way -- how they compare in the public and private sector.

Under the theory of western political economics, there is a big difference between activities being controlled by a government entity or by an economic market. Yet in the past, when looking from a management perspective, this difference did not seem to matter.

One reason public management might not have been viewed in its own light is that often, the distinction between a public organization and a private one was not always clear. The boundary was further distorted by a crossover between governmental and non-governmental domains, and a growing diversity of groups that have both governmental and private-side features (hybrid).

Even the most casual observer will note that businesses have become more concerned with social and political issues; and that some tasks are performed by public and private groups. It is now evident that the public and private sectors are no longer that different.

The blurred distinction between the public and private sectors, and hence between their management, poses an interesting question: If the difference is becoming seemingly smaller, why are so many countries struggling with the choice between government or market-based controls? One reason could be that political science and economic scholars -- the people we turn to for such answers -- view public bureaucracies as totally different than private organizations.

Without an economic market to absorb public agency output, some economists posite that there could be inefficiency (Niskanen, 1971) and rigidity (Downs, 1967).

Political scientists, who until recently paid little attention to the managerial characteristics of public agencies, typically t.)ught of public agencies as being controlled by external political influences (Allison 1983; Meier, 1987; Rourke, 19.4; Seidman and Gilmour, 1986).

In the last decade, the gap between theories of management and those of political science and economics has been addressed in many books and articles (Gortner, Mahler, and Nicholson, 1987; Hood and Dunsire, 1981; Meyer, 1979; Pitt and Smith, 1981; Rainey, Backoff, and Levine, 1976; Rehfuss, 1989; Warwick, 1975). The same holds true for external power, control and institutions in organizational theory (DiMaggio, 1988; DiMaggio and Powell, 1990; Scott, 1987; Zucker, 1988). Yet even in the face of all this, the general theory of management continues to treat public management as incidental.

While looking at the NBC, we will try to place it on the public-private continuum.

Categories of Community Organizations

Before one can analyze a community of organizations, a
system of classification and categorization of
organizational forms must be created. While such a system
is difficult to find, in his book *Community and Poly: The
Organizational Dynamics of American Jewry (1980)*, Daniel
Elazar presents a useful model for categorizing the North
American Jewish community organizations. That model has
been followed here.

Territorial and Non-territorial Organizations

"The American Jewish community .. is organized through
a mixture of territorial and non-territorial institutions"
(Elazar 1980: 129). This fact is critical in the U.S.,
since the political structure is based upon a territorial
organization. Elazar noted that all the people and
institutions within an organization are embraced by it.
While the territorial organization provides the community
with an overall sense of direction, the more personal
aspects of Jewish life are dealt with through the
ideological, functional and interest groups within the
organization.

It is interesting to note that although territorial communities are the aggregate of Jews in a certain area, they rarely have fixed boundaries, and that non-territorial communities lack strength due to the fact there is a weak ideological commitment in American Jewish life. Some reformers within the Jewish community would like to strengthen territorial organizations, while some interest groups feel a non-territorial approach to organization would be better. This has created a degree of tension within the Jewish community.

Government-like Institutions

"Government-like institutions play roles and provide services on a country-wide, local or regional basis that under other conditions would be played, provided, or controlled by governmental authorities, either predominantly, or exclusively" (Elazar, 1980: 181).

While bureaus of Jewish education and Jewish community relations councils are examples of government-like institutions, the Jewish Federation is perhaps the best example of a government-like institution. It serves the community through comprehensive services and programs, reaches all Jews in the area through its fund-raising efforts, and maintains ties with a majority of other organizations within the community.

Localized Institutions and Organizations

"Local institutions and organizations, mainly synagogues, have the formidable task of meeting the primary personal and interpersonal needs of Jews "(Elazar, 1980: 198). Although the function of American synagogues has become somewhat clouded as they have grown in size, this statement remains true. As Elazar continued: "Their (the synagogues) concerns are with the immediate and, to some extent, psychological needs of their members .. and by large, the active officers of synagogues tend to be men and women whose prime communal activities are restricted to local concerns."

General-Purpose, Mass-Based Organizations

These types of organizations function to:

1. Put forward the values, attitudes and policies of a community;

2. Provide impetus for maintaining the communal consensus that grows out of these values, attitudes and policies; and

3. Assist in dealing with the problems and tasks confronting the community by communicating between community leaders and the broad Jewish population.

General purpose, mass-based organizations are similar in political structure to government-like and localized institutions, and the two types of organizations even share the same basic role: to raise awareness of issues and problems, and muster up interest in dealing with them within the community.

Elazar finds three varieties of these organizations in the Jewish community:

1. the quasi-elite community relations organizations, such as the American Jewish Committee or the American Jewish Congress, comprised primarily of people with special interests;

2. ideologically based organizations, such as the Zionist groups found throughout the U.S., that are open to all people; and

3. social and fraternal organizations, such as B'nai B'rith and the National Council of Jewish Women, that serve public or communal purpose, as well as provide private social functions.

Special-Interest Institutions and Organizations

"(These organizations) reflect the multitude of special interests in the community by maintaining programs of their own or by mobilizing concern and support for various programs conducted by the government-like institutions" (Elazar, 1980: 202).

There is a vast number of special-interest groups, and accordingly, a divergent range of interests that they cover -- from hospital and elderly care facilities to free-loan societies and study groups.

Elazar (1980) suggests two other dimensions into which Jewish organizations could be categorized: religious vs. secular and public vs. private.

Religious vs. Secular

While the religious institutions, such as synagogues, concern themselves with ritual-oriented activities, secular institutions tend to welfare, social service and Israel-directed activities. Educational and cultural functions fall somewhere between the two institutions.

Public vs. Private

As mentioned earlier, the public vs. private controversy clearly exists from a management theory point of view; it also seems to exist in the Jewish community as well. Public activities would be those sponsored or funded by federations, whereas private activities are those put on by synagogues.

In their book <u>Maintaining Consensus - The Canadian Jewish</u>
<u>Polity in the Postwar World</u> (1990) Elazar and Waller present
the activity sphere system for the categorization of
Canadian Jewish organizations. They found five distinct
spheres of organizations (or organizational domains in the
organizational theory literature):

1. the religious-congregational sphere;

2. the educational-cultural sphere;

3. the external relations-defense sphere;

4. the communal-welfare sphere; and

5. the Israel-World Jewry sphere;

To better illustrate and differentiate between "functional
spheres" and organizations and institutions, Elazar and
Waller (1990) considered the first as a "game" and the
combination of the latter two as a "complex." They noted
that one can find "supergames" in this latter arena that is
the interface point between several games.

One can see this system of categorization as a sibling
of a well-established management theory research topic that
is the description of organizational network operating in
several overlapping domains.

Through the rest of this paper, I will use these multi-
dimensional categorization systems to describe the
activities of the NBC.

Organizations and Environments

To understand the behavior of an organization, you must understand the context of that behavior. Organizations are inevitably conditioned by their environment, and has it has been said that all organizations' activities have as their logical conclusion adjustment to the environment (Hawley, 1950).

An open-system perspective on organizations is not new (Katz and Kahn, 1966), and there is general agreement that contexts (organizational environments) are important for understanding actions and structures.

The key to organizational survival is the ability to acquire and maintain resources (such as money, manpower, and legitimacy). This would be simple if organizations completely controlled all the components needed for their functioning. However, no organization is completely independent. Organizations are embedded in an environmental web comprised of other organizations. They depend on these organizations for the resources they themselves require. Organizations must interact with other components in their environment to acquire needed resources.

This is applicable to public organizations, private organizations, small or large organizations, or organizations which are bureaucratic or organic (Burns and Stalker, 1961).

The fact that organizations are dependent for survival and success on their environments does not make their existence problematic. If the resources needed by the organization were readily available, even if outside their control, there would be no problem. Problems arise because the environment is not dependable. Environments change, new organizations enter and exist, and the supply of resources becomes erratic. When environments change, organizations face the alternative of disappearing or of changing their activities in response to these new environmental factors.

The social sciences, even if infrequently examining the context of behavior, have long recognized its importance. The demography of a city affects the particular form of city government, and particularly the use of a city manager (Schnore 1968). Some political economists claim that in part, positions developed are directly related to the distribution of preferences for policies in the population, which indicates that political platforms are affected by context.

The impact of external influences on individual voting behaviors has been duly recognized, while participation in political activities and other forms of voluntary associations is also primarily determined by the context, particularly the demographic and socio-economic dimensions, of the community.

As in the case of political science, some theorists writing about organizational behavior have recognized that an organization's context shapes the activities and structures of a formal organization. Katz and Kahn (1966) argued for the necessity of viewing organizations as open systems, and Perrow (1972) forcefully illustrated the analytical benefits to be gained by considering the environment of the organization in addition to its internal operating characteristics. Benedix (1956) showed how ideologies shaped the use of authority in organizations, and Weber (1947) proposed a theory of economic development that held the religion of a country to be critical. He suggested that the development of mercantile capitalism depended on a legitimate ideology which stressed hard work and delayed gratification, such as that provided by Protestantism, as contrasted with Catholicism.

Economics were even more explicit in giving critical importance to the contest of organizations, but they tended to take the environments as given. Competition is a critical variable in distinguishing between the applicability of models of monopoly, oligopoly, imperfect competition, or perfectly competitive behavior.

The study of oligopoly is explicitly the study of interorganizational behavior, and the study of antitrust policy implicitly recognizes the fact that organizations do make efforts to limit or otherwise manage the competitiveness of their environments.

Since the NBC is a very simple organization in its structure, one of the obvious choices of a researcher is to look outward from the organization. Indeed, a major part of this paper will place the NBC in its environment. I will draw a picture of the organization in relation to the other actor's composite of his environment. I will try to determine to what extent his environment was stable, as well as try to trace his legitimacy sources.

Strategy Formation

A well-known assumption held by political scientists
and organizational theorists posits that there is no
separation between power and money. That is why much
argument has taken place in the Jewish community, as well as
most political systems, over the subject of financing.

Viewed simplistically, financial matters of an
organization fall into one of two areas: taxation or
allocation. Deciding how to handle these two issues decides
to a large extent the breadth and scope of an organization's
or community's activities. This adds another layer onto the
money thrust: since allocation is in a sense determining the
priorities of a community, the people involved in it can be
viewed as engaging in the strategy formulation process.

The underlying assumption of this paper is that the
very essence of the NBC activities is the formulation of the
community's short-and long-term priorities. Consequently, I
will devote a section to reviewing approaches to the process
of strategy formulation. And in my conclusion, I will make
a suggestion as to which one best fits the NBC situation.

In a literature review (according to Mintzberg, 1990), 10 distinct points of view emerged, each with a unique perspective that focuses on one major aspect of the strategy formulation process.

The Design School: strategy formulation as a conceptual process.

The concept behind the design school model is that of congruence or fit. As an ardent proponent of this school put it: "Economic strategy will be seen as the match between qualifications and opportunity that positions an organization in its environment" (Christensen, Andrews, Bower, Hamermesh, and Porter 1982).

A number of basic premises underlie the design school:

1. The formulation of a strategy should be a deliberate, carefully thought-out process;

2. The chief executive officer is the strategist, and is responsible for controlling the thought process involved with strategy formulation;

3. Elaboration is detrimental to strategy formulation; therefore, the process must be simple and informal;

4. The best strategies entail a creative design and are unique;

5. This process yields a comprehensive, complete strategy;

6. The strategies should be simple, since it is best if they are made explicit and articulated; and

7. The strategies can only be carried out after they are fully formulated.

The Planning School: *strategy formulation as a formal process.*

While the planning school accepts most of the premises of the design school, it takes a more methodical, machine-like approach. Each component is made as specified and assembled according to the blueprint; the result is the desired end product (in this case, strategy.)

Both the design and planning schools hold the CEO in principle as the architect of the strategy. But in the latter, the architect does not create the design so much as approve it. Also, a greater emphasis is placed on scheduling, programming and budgeting.

The basis of the planning school can be summarized as the following:

1. Strategy formulation should be a tightly controlled, formal process of distinct steps, each with its own checklist and supported by techniques;

2. In principle, the chief executive is responsible for the overall process; in practice, the staff planners are responsible for the execution; and

3. The process yields a strategy that is complete, so its implementation can be explained by paying close attention to the objectives, budgets, programs, and operating plans of various kinds.

The Positioning School: strategy formulation as an analytical process.

The foundation that exists in the planning and design schools also exists in the positioning school. However, the latter diverges from the other two in that it concentrates on the prescriptive side; that is, how the strategies would be executed and the model of the strategies themselves. Using the positioning school, scholars can look at specific strategies organizations may use, and the most efficient context for their use. The premises of the positioning school are:

1. Strategies are not specific; they are generic positions in the marketplace;

2. Economics and competition drive the marketplace (the context);

3. Therefore, analytical selection based on calculations drives the strategy formulation process; by analyzing formal data (preferably) quantitative) on the industry and the competition, an optimal generic strategy can be selected;

4. The "generic" position approach can lead to similar strategies within clusters of "strategic groups" of firms in an industry;

5. Managers officially control the selection of criteria; however, they rely heavily (knowingly or unknowingly) on the calculations of analysts;

6. Complete strategies that can be articulated and implemented result from this process; thus, a cycle is created in which market structure dictates positional strategies that dictate other strategies that dictate organizational structures (including systems and plans) that determine strategy performance.

The Entrepreneurial School: strategy formulation as a visionary process.

As its name implies, this model focuses on the individual leader involved in the formulation of a strategy. It seeks to comprehend the process as it reveals itself, and it stresses the most innate of mental states and process: intuition, judgment, wisdom, experience and insight. According to Mintzberg, this approach promotes a perspective of strategy formulation that is associated with image, sense of direction and, most importantly, vision. Under the entrepreneurial school, the organization is subservient to the leader's wishes.

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Even the environment, to a degree, becomes subservient as the leader maneuvers easily through it to move the organization into a protective niche.

This model encompasses the following premises:

1. Strategy exists within the leader's mind as a vision of the organization's long-term future;

2. The leader semiconsciously formulates the strategy, using experience and intuition;

3. The leader is personally attached to the formulation and implementation of the strategy, and ties the two together through direct feedback on actions;

4. As a result, the strategic vision is flexible, as is the organization, and responsive to the leader's directives; and

5. The entrepreneurial strategy protects itself from the forces of direct competition by assuming a niche within the marketplace.

The Cognitive School: strategy formulation as a mental process.

The cognitive school is a derivative of the strategy formulation, and its main goal is to understand strategic vision by exploring the strategist's mind and to focus on strategy formulation in the sphere of human cognition. As will be pointed out later, the strategy formulation process is fundamentally a collective one, yet that collective is comprised of individuals.

The premises of the cognitive school include:

1. Strategy formulation is a cognitive process undertaken by the strategist;

2. As a result, strategies are concepts and perspectives that form in the strategist's mind;

3. The environment is complex and the cognitive abilities of the strategist are limited by comparison; this leads to restricted and biased information that in turn distorts the strategy formulation process;

4. Subsequently, strategies are difficult to form, nominal when they do form, and difficult to change when they become outdated; and

5. Due to individual cognitive makeups, the styles of strategy formulation varies greatly between strategists.

The Learning School: strategy formulation as an emergent process.

If strategists cannot rely on procedure and technique, they will proceed by learning over time, according to the learning school process.

This model suggests that "strategies emerge as strategists, sometimes individually but more often collectively, come to know a context and their organization's capability of dealing with it; eventually the organization converges on patterns of behavior that work" (Mintzberg, 1990).

As LaPierre put it (1980, as quoted by Mintzberg):
Strategic management becomes "no longer just the management of change but management by change."

The beginning of this school can be observed in Charles Lindbloom's (1959) article, *"The Science of Muddling Through"*. In the article, Lindbloom pointed out that policy-making is not a neat and controlled process, but rather a messy one in which the policy maker has to contend with a complicated world. Because it went against the "rational" approach to management, Lindbloom's approach was innovative at the time. Later (1968), Lindbloom added another layer to his theory: "policy-making is typically a never-ending process of successive steps in which continual nibbling is a substitute for a good bite."

However, this school was shaken up in 1980 with the publication of James Brian Quinn's book *"Strategies for Change: Logical Incrementalism"*. Unlike Lindbloom, Quinn's thesis looked at the ability of the central actor to direct the formulation process toward a final strategy. According to Quinn, true strategy is born when "internal decisions and external events flow together to create a new, widely shared consensus for action among key members of the top management team."

In well-run organizations, managers proactively guide these streams of actions and events incrementally towards conscious strategies. Others contend that the strategist can in fact emerge as a collective when various people interact and develop a pattern that becomes a strategy.

The premises of the learning school model are:

1. Strategy making is not a controlled process as much as one that evolves as the organization undergoes the process of learning; the complexity and dynamics of the organization, combined with the fact that the knowledge base is spread throughout, make the difference of formulation and implementation difficult to assess;

2. While the principal strategist is often solely responsible for learning, the entire organization is sometimes involved with the learning process; therefore, potentially many strategists exist;

3. Whoever has the capability to learn can implement strategies, provided they have the means to support the strategies. The result is strategy initiatives that appear from unexpected places and in unusual ways, often due to events outside the organization. These initiatives may or may not take hold on their own. They may also get pushed upwards in the organization by an assenting manager, who could combine them with other emerging initiatives or existing strategies before seeking senior management approval.

Whichever occurs, the initiatives may lead to actions that are positively reinforced, thereby creating patterns that in and of themselves become strategies. It may happen in the usual course of events or spontaneously as this reinforced behavior spreads throughout the organization; or the expansion of the initiative as strategy may be deliberately managed as the newly created patterns are formally recognized;

4. Leaders then do not develop strategy; instead, they guide the strategic learning process. Senior management pays close attention to the people involved in the process, and to the things that facilitate the process; its role becomes one of recognizing, shaping, and directing emerging strategies. This involves finessing the sometimes abstruse association between thought and action, control and learning, stability and change; and

5. As a result, strategies first take the form of past behavioral patterns, later become deliberate plans, and finally, accepted in a broader context.

The Political School: strategy formulation as a power

process.

Under the political school, theory strategy formulation

becomes, as the name implies, an overtly political process.

"Political" is defined here as an illegitimate action or

behavior (Mintzberg, 1983); that is, if an organization

competes in an economic marketplace, any action or behavior

that is politically driven is illegitimate

There are two branches of the political school --

micro-politics and macro-politics. Micro-politics involves

the use of politics within an organization, whereas macro-

politics entails an entire organization acting as a

political vehicle through the use of power.

Graham Allison's (1971) *Essence of Decision:*

Explaining the Cuban Missile Crisis is a prime example of

how internal politics play on strategy formulation. In his

work, Allison shows how the different actors achieve their

objectives through political maneuvering. It clearly shows

how strategies formulated under this process are the result

of bargaining and negotiating.

It should be noted that organizations aren't either

political or apolitical.

Some organizations that are usually apolitical can be occasionally political; however, other organizations become "entirely captured by pervasive politics so that every issue is a dispute" (Mintzberg, 1983).

The political school premises include:

1. Strategy formulation is a political process and almost always leads to conflicts;

2. Political strategies are usually formed around a position rather than a perspective;

3. In micro-politics, everyone vies with each other for control; hence, there is no dominant actor;

4. In macro-politics, an organization uses politically aggressive strategies to improve its status or position; and

5. Micro-politics tend to become prevalent when an organization is undergoing change.

The Cultural School: *strategy formation as an ideological process*.

Anthropologist continually debate the exact definition of culture, but in its broadest sense, culture is what you have when you take individuals from diverse backgrounds and blend them into one group or entity.

Here, we will follow Mintzberg (1990) and define
culture as the "established patterns of beliefs shared by
the members of a collectivity...Culture, then, is collective
cognition; it represents the "organization's mind" with
regard to shared beliefs, typically reflected in traditions
and habits as well as more tangible manifestations such as
stories, symbols, credos, and the like" (p. 167).

Ideology also comes into play in the cultural school.
Specific organization members adopt and share a strong set
of beliefs. The passion with which these beliefs are held
separates them from other organizational beliefs.

The way that culture gets assimilated into a group is
how strategy formulation is viewed in the cultural school.
The premises of this school are:

1. Strategy formulation is the result of the group's
behavior, and is based on the beliefs of that group;

2. This leads the strategy to be deliberate, taking the form
of the group's perspective; the strategy is rooted in the
group's intentions and exhibited in its patterns;

3. The shared beliefs influence control and coordination,
which tend to be normative, of the group;

4. Because the internal beliefs are held so strongly, the organization tends to be proactive, compared to an environment that seems to be passive and weak; and

5. Culture, and in particular ideology, perpetuate existing strategy instead of encouraging change in it; at best, they allow an organization's overall strategic perspective to shift (Dunbar et al. 1982, quoted by Mintzberg 1990:168).

The Environmental School: *strategy formulation as a passive process.*

The environment school holds that outside forces, i.e. the environment, play a bigger role in strategy formulation than internal forces. The organization is essentially passive, allowing its strategy formulation process to become an exogenous one instead of an internal process.

The environmental school evolved out of a contingency theory which held that "given environmental dimensions dictated specific attributes of organization -- for example, the stability of context requires formalization of structure" (Mintzberc, 1990).

The strategy-making process is under the control of these dimensions as well.

The environmental school premises are:

1. Strategy formulation is dictated by the environment, which forces the organization into a marketplace niche; if an organization fails to adopt to the environment, it dies; and

2. Since the strategy formulation process is controlled by external forces, there is no meaningful process within the organization.

The Configuration School: *strategy formulation as an episodic process.*

This school takes its strategy formulation from all the other nine schools, but incorporates its own perspective "each at its own time, in its own place as an integrated phenomenon" (Mintzberg, 1990). The model focuses on what type of organization it is, its internal and external environment, and various episodes that occur during a definite period in the organization's history.

The premises of the configuration school include:

1. An organization's behavior can be best understood in terms of configurations -- "distinct, integrated clusters of dimensions concerning state and time" (Mintzberg, 1990);

2. Episodes control the strategy formation, in that "a particular type and form of organization, matched to a particular type of environment, engages in a particular form of the process for a distinguishable period of time" (Mintzberg, 1990). Therefore, the strategy formulation process can be a conceptual design, formal planning, systematic analysis, or intuitive vision; it can be individual cognition, collective learning, or political; it can be swayed by personal leadership, organizational culture, or the external environment;

3. The strategies that result from this model can be plans, patterns, ploys, positions, or perspectives; but each will be appropriate in its own time and context; and

4. These controlling episodes tend to form a pattern over time in which the cycle of strategy formulation can be identified.

In this section, I reviewed different approaches to the process of strategy formulation. As I view the NBC's activity in formulating the community's short and long-term priorities, it is my intention to observe the strategy-formation process to determine to what extent it fits into the theoretical framework.

CHAPTER 2

THE NATIONAL BUDGETING CONFERENCE OF CANADIAN JEWRY

Background and Historical Prespective

Seeking to develop a cooperative process for budgeting communal funds for programs, the Council of Jewish Federations established the National Budgeting Conference (NBC) in 1974 (NBC, 1973a).

The NBC is not a separate agency, but a joint activity of its 11 member communities and four national organizations. It researches, reviews, consults and takes recommendations from its member communities and organizations in an effort to improve the communal funds used for local, regional, national and overseas programs that are conducted by and for the Canadian Jewish community (Batshaw, 1973). As such, the NBC ensures fiscal and programmatic accountability for the community's most important services (NBC, 1973b).

National Jewish organizations can receive communal funds either by direct fund-raising, direct or indirect allocation from Jewish communal sources, or through the NBC. National agency participation in the NBC may be initiated by the applicant or the NBC itself.

The goal of the NBC is to find an acceptable way to fund services endorsed and needed by the Canadian Jewish population. It seeks to promote the development and implementation of needed programs, eliminate duplicate programs, and find the most efficient use of communal funds.

In its early days, the NBC was not considered a formal organization (Bronfman, 1973). Even today, funding communities see it as a voluntary communal process and its recommendations are advisory and non-binding. However, commitment is clearly evidenced by the fact that all of the NBC's recommendations to-date have been adhered to by the communities, in part because the federations are the main constituents of the NBC (Elazer and Waller, 1990).

One can see this adherence also as an endorsement of the communal responsibility concept, the principal upon which the NBC was established. The NBC serves as a unique forum where all the major constituencies meet to determine communal goals and priorities; and it provides the opportunity for determining policy on several topics such as immigration, Canada-Israel relations, or campus services. By the very nature of this partnership, the NBC's influence often transcends its budgeting and allocation responsibilities (Satok, 1987).

Since the NBC is a cooperative process rather than a formal organization, affiliation is limited. Its credibility and legitimacy come out of the delegates' own shared principles and how well the NBC serves its function, rather than some defined authority.

By their participation in the NBC, all community members imply to voluntarily accept its recommendations. Further, they imply the commitment to meet their recommended apportionment (within the limits of their own funds) in any NBC formula for support of a beneficiary organization's budget. But, while the NBC might act as a facilitator in the transmittal of these funds, it will not act as an administrative or collection agency.

The NBC process doesn't undermine the authority and responsibility of each beneficiary agency (NBC, 1974a). It recognizes the authority of every organization's governing body to make decisions on its own programs and budget. Every beneficiary agency is free to take any action with regard to programs, budgets, or requests by individual fund-raising organizations. The NBC's responsibility is to make recommendations, which are advisory in nature and non-binding on the constituent members (Wolfson, 1974). The NBC strives to make recommendations which will govern community allocations and organizational budgets by the equity and reasonableness of these recommendations.

The goal of the NBC's decisions is to arrive at a generally accepted equity in funding programs for Canadian Jewry. The target is to maximize the use of the communal funds by providing the best operations to the specific programs endorsed by the Canadian Jewish community. Overlapping or duplication should be eliminated (NBC, 1974c).

All national agencies and local communities report their annual fund-raising to the NBC. The NBC collects this information and issues reports on the total annual fund-raising, as well as on the funds distributed within the Jewish communal services in Canada.

The basis for participation of NBC constituent members and beneficiary organizations is voluntary in nature. The basic principle of the NBC function is an effective budgeting process in each beneficiary organization. The NBC should not function as a replacement for sound budgeting in the constituent or beneficiary organization, but rather help the member to examine its budget on the basis of "actual operating needs, not goal budgets". (NBC, 1984e).

The success of the budgeting review process depends on the participation of knowledgeable community and national agency representatives, as well as the effective use of NBC reports and information by the constituent members.

The objective of this process is to create a continuous cooperative and fruitful relation between the NBC and the constituent members that will assure and encourage communal participation in the NBC. Lay leaders active in the NBC, as well as the NBC staff, should communicate with constituent members and beneficiary organizations on a constant basis. They should visit members and organizations from time to time for discussions and view-sharing regarding NBC activity. The NBC provides comparative advisory data to enable communities ai 1 federations to compare their operations with those of other communities; members of the community should take advantage of these NBC reports and other written materials (NBC, 1974c).

Representation and Delegates

The member communities and agencies are represented by lay people and, generally, senior officers; these delegates make the decisions and recommendations of the NBC. The balance between local and national needs, as well as the delegates' influence in the community, is a crucial element to the success of the NBC.

The delegate representation to NBC consists of the following:

Communities

Montreal	6
Toronto	6
Winnipeg	2
Ottawa	2
Vancouver	2
Calgary	2
Edmonton	2
Hamilton	1
Windsor	1
London	1
Atlantic	1

In total, the member communities have 26 delegates in the plenary.

Constituent Agencies

Canadian Jewish Congress	4
United Israel Appeal	4
Jewish Immigrant Aid Services	2
Canada-Israel committee	1

In total, the member agencies have 11 delegates in the plenary.

Though not constituent members of the NBC, the following organizations are beneficiaries of NBC funds:

- Network

- Canadian Professors for Peace in the Middle East

- Canada-Israel Foundation for Academic Exchanges

- National Campus Services Committee

- Joint Distribution Committee

- Organization for Rehabilitation Training (ORT)

- Hebrew Immigrant Aid Services

- Jewish Telegraphic Agency

The following are required to become a beneficiary organization (NBC, 1974a):

1. Be a non-profit, tax-exempt corporation eligible to receive tax-deductible contributions;

2. Be dedicated to the needs of the Jewish community;

3. Be an appropriate organization to receive support from Jewish federations, welfare funds and community councils;

4. Have a clearly defined constituency;

5. Have a clearly defined goal that addresses an area of national need, and an adequate staff and resources to meet that goal;

6. Have a governing body that provides policy formulation and is accountable for activities and financial matters;

7. Employ standard management procedures and policies in regards to program planning, budgeting, personnel, supervision, overall conduct, and fund-raising; and

8. Show a commitment to community interests through full reporting and disclosure, annual independent audits, ethical operations, accepted fund-raising practices, dedication to the elimination of duplication and waste, strengthening of interagency as well as national and local relationships, undergoing continual evaluation and periodic reassessment, and be willing to participate in the annual NBC systematic review process.

The standard procedures for applying to become a beneficiary organization are as follows (NBC, 1974a):

Upon receipt of an application form, it is the NBC's prerogative to decide whether such application does not warrant any further consideration and may reject the application.

Subject to the NBC chairman's initial decision, he will appoint an Ad Hoc Committee to conduct a preliminary screening to determine if a more thorough and detailed review is warranted. Only those applicants considered by the Ad Hoc Committee as meriting serious consideration can expect to go through the following bureaucratic procedure:

1. The organization should complete an application form. The beneficiary organization asking for funding is expected to provide detailed documentation of its functional, structural and fiscal nature;

2. In order to inform the communities and organizations of the nature of the applicant organization, the application information will be circulated to the presidents of the constituent members of the NBC and to all the members of the NBC Steering Committee;

3. The applicant will then be invited to make a presentation to the Steering Committee for its assessment;

4. The Steering Committee will advise the plenary as of its recommendation;

5. The plenary should ratify the Steering Committee's recommendation;

6. Once an organization has been approved by the plenary it will appear before the appropriate subcommittee for a detailed budget review;

7. The subcommittee then submits to the plenary a recommended allocation; and

8. Once a beneficiary organization has been accepted, a decision shall be made as to how to handle its day-to-day activities on an on-going basis.

Structure Of The NBC

It is a difficult task to describe the NBC organizational structure from a classical organizational theory point of view. Since the NBC does not have well-defined organizational borders (the delegates to NBC are members of other organizations) or a clear hierarchical order, it seems inappropriate to use the regular organizational terminology to describe its operations.

As mentioned, the NBC is more of a process than a formal organization; however, being a social process, it has its own unique social entity and viability, and some of the characteristics of a more complex organization.

The NBC consists of several committees and staff members:

Plenary

The NBC holds at least two regular plenary sessions each year (Abugov, 1989): one in December for budget decisions, and one during the summer for examination and evaluation of special strategy and planning problems. The summer session also deals with every subject that the Steering Committee sends to the plenary and that is awaiting a decision.

The plenary's primary roll is to review the major
issues on the subcommittee's reports. In this capacity, the
plenary's role is more of an overview and it should avoid
duplication of the detailed inquiry and analysis already
undertaken by the subcommittee (Abugov, 1991). The
plenary's task, therefore, is to address each agency's
program directions and main services. But if it is
considered necessary, the plenary will engage in a detailed
review to determine which activity the NBC is willing to
support.

At its annual December session (the Budgeting Plenary)
the NBC conducts organizational budget and program review
sessions for all beneficiary organizations. This is done on
the basis of budget requirements initially asked for by the
beneficiary organizations and on the advice of the
appropriate organizational NBC subcommittee. National
organizations which are constituent members have the right
to participate in the discussion of and vote on their own
budget. The plenary has the last say in the decision-making
process and its recommendations regarding budget and
programs are obligatory (Rosenfeld, 1991).

The Sub Committee

The day-to-day activity of the NBC happens through
sub committees (Abugov, 1989).

Each subcommittee is in charge of a given beneficiary organization budget review. The members of the subcommittees are appointed by the chairman of the NBC and the chairman of the respective subcommittee. The purpose of the subcommittees is to meet with the representatives of the beneficiary organizations and review their budget, and to report on it to the plenary.

It is essential that the subcommittee members maintain good relationships and open channels of communication with the beneficiary organizations (NBC, 1974c). The subcommittee meets as necessary with delegates of the beneficiary organization to ensure better understanding and interpretation of the organization's programs and needs. Special attention is given in the subcommittee meetings to identifying questions that require special attention at the annual NBC review of the beneficiary organization's budget and programs, as well as to following up previous NBC recommendations.

The initial step in the subcommittee process is to determine with the beneficiary agency whether the proposed initial NBC budget reports on the organization are "factually correct and properly stated" (NBC, 1974a).

If corrections or amendments are needed the
subcommittee will recommend the required changes before
distributing the reports to all NBC delegates. The premise
underlying the subcommittee task is that its member should
not become advocates of the beneficiary organization which
they review, although once they conclude their report it is
expected that they promote it.

An NBC staff member is designated to each subcommittee.
His or her responsibilities involve arranging the
subcommittee meetings with the beneficiary organization
delegates and the distribution of the subcommittee's
reports.

The Steering Committee

The Steering Committee is concerned with broader and
more far-reaching issues than are dealt with in the
subcommittees. Among other things, the Steering Committee
screens new applicants, develops future plans and helps
expedite NBC business and management functions. The
committee does not decide, but rather makes recommendations,
all of which must be ratified by the plenary (NBC, 1974b).

The Steering Committee meets twice a year, and consists of NBC officers, subcommittee chairmen, and representatives of selected communities and constituent member organizations of the NBC. The chairman can also appoint individuals to the committee.

The current Steering Committee consists of:
- the chairman;
- the immediate past chairman;
- the two vice-chairmen;
- the subcommittee chairmen;
- one representative from the following communities: Montreal, Tornado, Winnipeg, Ottawa, and Vancouver;
- one representative from a smaller eastern community and one from a smaller western community other than those designated in item 5; and
- one representative from each of the following organizations: Canadian Jewish Congress, United Israel Appeal, Canada Israel Committee, and Jewish Immigrant Aid Services (NBC, 1974a).

From time to time, senior professionals from Montreal, Toronto, Vancouver, and Winnipeg, and representatives from United Israel Appeal and Canadian Jewish Congress are also invited to the Steering Committee meetings; it depends on whether it is necessary for any individual professional to be present at a specific meeting, and the expense of the travel (Rosenfeld, 1991).

Officially, the subcommittee's chairman has the last say with regard to a budget proposal, until it goes to the plenary. However, the Steering Committee, which is made up of representatives from most of the ten federations, really holds the power behind the scenes (Rosenfeld, 1991). One can observe the Steering Committee's influence by the very fact that when it comes to allocating special budgets in the middle of the year, it is the Steering Committee who ratifies the emergency allocation. This is in accordance with NBC regulations, which states that "in the event of emergencies or incompleted business, when the NBC is not in session, the chairman, with the consent of the Steering Committee, may convene a special NBC session, or may conduct a mail or telephone poll to determine the NBC consensus on the matters at issue" (NBC, 1984a).

Officers

The chairman of the NBC is elected annually at the December plenary session. Two vice-chairmen are also elected by the delegates at this time. The chairman and vice-chairmen are eligible to be re-elected to a maximum of three years (NBC, 1989c). The custom is that the chairman comes from either Montreal or Toronto, is a pas   comes from ei president, has some national background (preferably as a past officer to the NBC, such as a subcommittee chairman), and is a person agreed upon in the plenary by acclamation. In reality, however, the selection of chairman is done beforehand behind closed doors (Rosenfeld, 1991).

The other officers of the NBC are the chairmen of the subcommittees, all of whom are lay people. These people chair the subcommittees that do the preliminary examinations of the budget for each beneficiary organization, and then report the findings to the plenary.

Staffing and Financing

The operational needs of the NBC, such as staffing, consultative services, and secretarial, printing and mailing services, are provided through the Council of Jewish Federations (Abugov, 1989).

A pivotal role in the NBC's day-to-day operations is played by the NBC director. He is a professional manager who is nominated and paid by the Council of Jewish Federations. Although the official decision-making process is done by NBC officers (lay people), it is often up to the personal integrity of the director (who has no constituency) to maintain the sensitive balance between the federation's wishes and the national agencies' needs.

In the event that a national organization is seeking some extra help, the informal process is as follows: if the request comes from the professional sector of the beneficiary organization, they usually approach the NBC director first; if, however, the initial request comes from the lay people, they will tend to call upon the NBC chairman. Either way it will end up that the chairman and the director will deal with the request together (Rosenfeld, 1991).

Good relations between the chairman and the director are critical to the daily functions of the NBC running smoothly. And with the chairman and the officers being replaced every so often, it is the director who is the symbol of continuity and stability.

SUB COMMITTEE

PLENARY

STEERING
COMMITTEE

The Budgeting Process -- A Decision-Making Approach

The goal of the NBC is to help its beneficiary organizations through an effective budgeting process; that is a process that has a steady progression from review to analysis to recommendation, and finally, to decision. The NBC is intended to assist in, and not replace, sound financial planning within each beneficiary organization. Sometimes, however, the boards of beneficiary organizations tend to abrogate their financial responsibilities because they feel heavy fiscal monitoring from the NBC (Abugov, 1991).

The decision-making process of the NBC should be observed within its political and cultural context. The NBC must decide apportioning community dollars against the continuing demands of local and regional concerns, national programs, overseas exigencies, and Israel's needs; all of these demands have major constituencies and proponents, which are valid and necessary. Compounding the decision-making process is the lack of a clear demarcation between federal and national organizations, coupled with indistinct program responsibilities, roles and authority between national organizations.

Because the NBC is comprised of different groups with diverse goals, resources and authorities, it serves as a locus for exchange and bargaining. However, this divergence of opinion can often pose a dilemma for the delegate to the NBC, who has to balance his organization's needs with supporting the quality of Jewish life in all its varieties. These delegates, as people involved with decision-making within the NBC, must pay notice to the diversity, and the myriad of organizational attachments and identifications, ideological difference, and status and power disparities associated with it. Furthermore, they must deal with the fiscal components of member agencies that differ in structure, operation and services.

But as much as diversity pervades the NBC, so does the idea of partnership. This is one of the key differences between the NBC and other budgeting operations (Rosenfeld, 1991). In the NBC, participation by the beneficiary organization is viewed as a responsibility, not a circumscription. This is one reason why the conclusions and recommendations of the NBC are reached through a consensus that considers the interests of all constituent members.

What is consensus? Each chairman of the NBC has his own way of determining consensus. And in the past, consensus was sometimes determined by how powerful one was (Rosenfeld, 1991).

Due to the potential impact of an NBC recommendation, when a clear opinion cannot be obtained, the conflicting issue will be reformulated and reconsidered in hopes of arriving at an agreement. The NBC lacks a mandating authority to act in any way that is not approved by a significant majority (Abugov, 1991).

What is a significant majority? The general rule is that at least two of the three - Montreal, Toronto, and the UIA - have to approve the decision, otherwise the decision is rejected. This is because if a concensus cannot be reached, more than 60% is needed for approval; the decision has to reflect the vast majority of the different groups, or else the proposal has to be changed (Rosenfeld, 1991).

Consensus within a diverse body tends to limit the issues that can be considered and alternatives that are available. But although consensus often brings change in increments, it brings continuity and stability to the beneficiary agencies.

Every national beneficiary organization is entitled to submit its budget for its next fiscal year to the NBC, provided it is prepared according to NBC reporting formats. The budget reports, which are given to the appropriate NBC subcommittee at least two weeks prior to the scheduled review date, must provide comprehensive information on financial condition, programs, activities and cooperative relationships (NBC, 1974c).

There are three major ways through which funds are allocated and collected: by the federations, through the United Jewish Appeal or through the Combined Jewish Appeal. The funds are raised locally by the federations and go to three major sectors:

1. local agencies and services for the local constituency;

2. the national agencies, with the NBC's process determining how much goes to each agency; and

3. United Israel Appeal (these funds go to the Jewish Foundation Fund and the Jewish Agency).

Campaign Experiences (000's)

(NBC, 1991)

Community	Operation Exodus*	1990/91 Projected	1989/90 Experience	1988/89 Experience	1987/8f Experience
Montreal	$ 30,000	$ 33,500	$ 33,500	$33,200	$ 30,200
Toronto	55,000	36,500	40,600	39,250	33,500
Winnipeg	1,965	3,600	3,644	3,850	3,850
Vancouver	3,600	4,100	4,140	3,700	3,550
Ottawa	3,300	3,600	3,500	3,450	3,350
Calgary	1,594	1,440**	1,286	1,308	1,220
Edmonton	800	650	753	860	700
Hamilton	875	850	1,059	935	800
London	975	550	538	455	425
Windsor	503	607	630	630	585
Atlantic	600	550	544	?75	450
Others via UIA	1,300	1,200	1,408	1,400	1,325
Total	100,512	87,397	91,974	89,413	79,955

*   Payable over three years.

** These figures are finals.

Most of the federations have some formula whereas 45-55% of the funds raised go to Israel or the UIA; this formula may or may not take into consideration the costs of the fund-raising process. The next cut is taken by the local communities, which have to deal with their own agencies, services and programs (Abugov, 1989).

The NBC uses a proportional formula to determine the amount of money each community should allocate to the national agencies. This proportional formula is based on the amount of money collected in the campaign and the community's population. Only then comes the NBC and the national agencies.

At the beginning of the process, the NBC provides all the delegates with the previous campaign results - what proportion went to the UIA and what had been used locally-together with background information, to give the delegates some sense of the fiscal condition of the community (Abugov, 1989).

In the next phase, the national organizations present their budgets to the subcommittees. Parallel to this, the director prepares a budget digest inclusive of all the beneficiary agencies and sends it to the federation representative. The director uses the digest to analyze the budgets so that all the right questions are asked, and to keep some sense of direction and order (Abugov, 1989).

The digest is available to all members of the subcommittees,
as well as the delegates of the beneficiary organizations.

The budgeting process is an incremental one. The
beneficiary agency does not have to start from scratch each
year and justify every single program again, but rather
point out changes from the previous fiscal year. Moreover,
the NBC tends to set a cap and the budgeting process is
usually confined to this cap; the cap also signals to the
beneficiary agency that they are going to get a four or five
percent increase each year. Some agencies don't feel
comfortable with the cap and prefer to see an intensive
examination of all national needs; but since it is an
incremental process, one won't find any dramatic changes
unless something unusual happened (Rosenfeld, 1991). We
will present such a case in the chapter dealing with the
NBC's changing environment.

The subcommittee's objective in the budgeting process
is to achieve an in-depth familiarity of the given national
agency through the assessment of:

1. The budget as the agency's financial plan of action;

2. The agency's overall performance;

3. The objectives, execution and outcomes of each program;
and

4. The general organization of its list of priorities.

The objective of this process is to enable the subcommittee to submit to the plenary a detailed budget review that incorporates a range of budgeting options; from these options, the subcommittee makes a recommendation based upon its review of the organization's budget, programs and needs.

To satisfactorily study the financial situation and programs of a given agency, a thorough review of both has to be done together, since they are interconnected.

At the end of its review, the subcommittee provides the plenary with various reports that put the entire line of programs into perspective, thus facilitating a better understanding on the agency's budget within a global context.

The subcommittees, with representatives of the beneficiary organizations, are required to follow-up on recommendations and to study emerging needs. Each subcommittee meets with its respective beneficiary agency and it has frequent staff level contacts throughout the year so it can easily address issues requiring special attention at the annual review (Satok, 1987).

The next step is taken in the December budgeting plenary. In preparation for it, each beneficiary organization provides a complete statement on an NBC form, detailing its financial condition, organizational structure, programs, activities, and cooperative relationships. The beneficiary organizations must also have answers for any questions posed to it during the subcommittee's review of its statement.

The beneficiary organizations are encouraged to prepare these background materials in a way they believe will best describe their programs, budgets and needs. The aforementioned statement and its related materials are then distributed by the NBC in advance (at least three weeks before the applicable NBC review session) to the delegates.

Prior to the plenary budget session, the subcommittee submits to the plenary a detailed budget review, in which it recommends to include, exclude or revise a particular program. The review of each beneficiary organization at the plenary is started with the subcommittee presenting its report and recommendations. Next, the beneficiary organization's representatives make a statement, in which they highlight any changes in their agency's budgets or programs since the previous year.

At the same time, the representatives respond to any questions that were posed in advance by NBC.

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After this, discussion takes place in the plenary regarding
any changes or new items in the program and budget
(Rosenfeld, 1991).

The plenary process is more of an overview than a
detailed examination. It should avoid duplication of the
detailed inquiry and analysis undertaken by the
subcommittee, though at times it will engage in a more
detailed review to determine which programs the NBC is
prepared to support (NBC, 1983).

The role of the NBC chairman and officers is critical
to the plenary proceedings. They maintain focus on the
subcommittee's analytical and operational comments regarding
the individual programs and proposed final budget for a
beneficiary organization. This allows the full plenary to
thoroughly review key programs and decide which ones the NBC
will support, and to approve a final budget.

The final allocation for any beneficiary organization
is ultimately the decision of the plenary. Reports on the
plenary's decisions are made available as soon as possible,
and in advance of allocations by participating communities.

Once a beneficiary organization's budget has been
approved by the NBC, the latter decides which portion of it
will come from member communities and which will come from
other sources available to the organization.

To help member communities meet the formula for equitable participation, the NBC will recommend to them the amount they should allocate to each beneficiary organization (Abugov, 1991). (As already mentioned, this formula is based upon each community's population and fund-raising results.) The NBC will facilitate the transmittal of allocated funds, but does not act as the collection agency for them.

If the plenary approves a budget for a beneficiary organization that differs from the one recommended by the respective subcommittee, the organization must submit a revised budget that matches the one approved (NBC, 1973).

Immediately after the budgeting process is complete, the NBC receives a schedule outlining the payments to be made to the beneficiary organizations over the year from the communities. This schedule is expected to contain twelve equal monthly payments, and a copy of it is sent to each beneficiary organization.

CHAPTER 3

POWER, ENVIRONMENTS, CHANGE AND STRATEGY FORMULATION - THE NBC PHENOMENON

Interorganizational Relations, Power and Conflict - The NBC Dilemma

A major issue in organizational analysis is that of power (Hall, 1987). The exercise of power itself can be rather complex, yet the definition of it, as most treatises addressing the issue agree, is rather simple: power is the behavior of one person affecting and having influence over that of another person. Political scientist Dahl (1957) puts it this way: "*A* has power over *B* to the extent that he can get *B* to do something *B* would not otherwise do" (pp. 202-3). When a boss asks an employee to do filing, or a professor hands out homework, that is power.

Dahl's statement does more than just define the essence of power; it raises the often-neglected point that power is a relational element. Power is meaningless unless exercised, and that cannot occur in isolation. In other words, a person cannot have power alone; it can only be in relation to some other person or collective.

When a person exercises power over another, one result may be conflict. It is not an inevitable result -- in fact, acts of power lead to compliance far more often than conflict -- but it can be a crucial one for the individuals involved and the total organization. Conflict can lead to the development of new solutions and ideas, which in turn can lead to important changes throughout the organization.

While Dahl puts forth a good definition of power, one element missing from the statement is that power is more than an interpersonal relationship; in the case of organizations, it becomes an interdepartmental relationship.

The analysis of power in organizations can be approached from a variety of perspectives. For example, while Burrell and Morgan (1979) base their analysis around the idea of interests, power, and conflict, Bacharach and Lawer (1980) see organizations as political bargaining systems. In the latter's model, organizations comprise work groups (people who are aware of the commonality of their goals and their fate) or coalitions (groupings of interest groups with a common goal). They focus on intracoalition and intercoalition activities; membership in a coalition can shift, and coalitions can join with other coalitions to form stronger coalitions.

Looked at this way, organizations become dynamic arenas of action, full of intracoalition and intercoalition bargaining and conflict.

For our analysis, however, we will go one step further and focus on the interorganizational relationship of power and conflict. As mentioned earlier, the NBC is an organization that takes a relatively simple form. The obvious choice for research then is to look outward from the organization and observe power and conflict relationships in the NBC's interorganizational system.

But first, it might be best to define interorganizational conflict: an adversarial situation that arises when one organization stops or hinders the activities of another. The situation can arise at the individual or collective levels, and within or between social systems (Galtung 1965). Interorganizational conflict on the personal level is relatively simple to understand. But when it is on the collective level, it becomes more complex, as the entire organization can become involved. (In looking at the NBC, we are concerned with interorganizational conflict on both the interpersonal and collective levels.)

Just as there are several levels of interorganizational conflict, there are also several forms. Some of the forms are regulated by interorganizational transactions; others are not. The basis for the conflicts could be disproportionate power (as in intraorganizational processes), domain (e.g. between federations and the CJC), or even ideological differences.

The correlates of interorganizational conflict are not well understood, mostly because it is thought that conflict is bad. This may not be true. As Guetskow (1966) and Assel (1969) have suggested, conflict and its resulting solutions can bring long-term benefits to an interorganizational relationship. Zeitts (1980) argues that conflict is cyclical, integrating and disintegrating the system as the resolution of old conflicts clears the way for new conflicts in a dialectical manner. Hall, Clark, and Giordano (1979) found a relationship between conflicts and interaction frequency and interactions based on both formal agreements and mandates; the agreements or mandates themselves were not the source of conflict, so much as the fact that they are present in transactions that are important to the parties involved. They also found a relationship between conflict and power differences.

Most conflicts are resolved. House and Kerr (1976) found four resolution techniques at the interorganizational level; issues are ignored or avoided; differences are down-played and common interests are emphasized; differences are openly addressed and worked out (as in collective bargaining); or issues are decided by someone at a higher administrative level or an outside party that is given the authority to do so (Hall, 1987).

The relational aspects of power

The relational aspect of power is driven home by Emerson's (1962) comment that power resides "implicitly in the other's dependency." Put another way, parties in a power relationship are tied to each other by a mutual dependence. This is particularly easy to see in organizations, which are interdependent on personnel and subunits (as is seen with the NBC).

Any consideration of power and organizations would be incomplete without first looking at the power of organizations in society. Two key points apply here: organizations are the means by which people are distributed in the social order; and, organizational power in society is increasingly being viewed in terms of interorganizational power.

In observing the NBC, we can see that it belongs to the network of Canadian Jewish Community (CJC) organizations. There is strong cumulative evidence that interorganizational integration does in fact play a powerful role in society; using Canadian data, Orenstein (1984) argues that both class solidarity and organizational imperatives operate in a formation of interlocks, and research has consistently shown that major corporations have systematic interlocks with each other.

In regards to the nature and importance of power as an internal process, voluntary organizations share the same characteristics as other organizations. However, there is a difference in that voluntary organizations have an apparent need for participation in membership in order for the organization to remain viable. For this reason, most analyses point out, the democratic process is crucial to voluntary organizations, since this form of power determination tends to assure continued participation.

All organizations have relationships with other organizations, but the level may vary: some relationships are trivial; some are central; some have strong social outcomes, while others do not.

Regardless of the level, organizational theorists are beginning to notice that these interorganizational relationships are important. Theorists may be taking notice for two reasons: they are beginning to recognize organizations as open systems, and they are now aware of the fact that previous organizational research does not provide insight into the complex social structures of rapidly changing urban communities. The rapid change is creating a more complex and turbulent environment, which in turn, is affecting the web of organizations within the communities in the same way. Some theorists envision that in the future, communities will be networks of organizations that appear, disappear, change, merge and form relations with one another.

It is generally agreed there are three basic interorganizational relationship forms, with the dyad (or pairwise) relationship being the simplest. The dyad form has also been the subject of much empirical research, with most of it looking at a central organization and its dyadic relationships with other organizations. As Van de Ven and Ferry (1980) note, it is impossible to trace how changes in one dyadic relationship can affect other pairwise relationships within the set.

A variation on the organizational set introduced by Aldrich (1979) is the action set. What distinguishes an action set is that it is "a group of organizations formed in a temporary alliance for a limited purpose," making it somewhat exclusive (p. 281). According to Aldrich, "action sets may have their own formalized agreements, internal division of labor, behavioral norms vis-a-vis other organizations, and clearly defined principles for the recruitment of new members" (p. 281).

This is not the case with interorganizational networks. These more inclusive sets consist "of all organizations linked by a specified type of relation, and constructed by finding the ties between all organizations in a population" (Aldrich, 1979 p. 281). Van de Ven and Ferry (1980) define an interorganizational network as "the total pattern of interrelationships among a cluster of organizations that are meshed together in a social system to attain collective and self-interest goals or to resolve specific problems in a target population" (p. 229). The primary difference between the two approaches is that Aldrich's focuses on the binds created by financial or other resource transactions and not on collective goals or specific groups; Van de Ven and Ferry's focuses on a social or health service delivery network within a community and would include all organizations in that network.
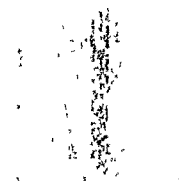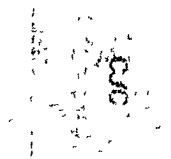
While the Aldrich approach could be applicable to the Jewish organizations in Canada using personnel or client flows, Van de Ven and Ferry's approach would be best, since the obvious connection between these groups is the sharing of a collective goal.

The purpose of this section is to observe how the NBC operates within its Interorganizational Relationship System (the Canadian Jewish Community), with the emphasis on power and conflict relations. Another purpose is to see to what extent the theoretical patterns fit the NBC's situation.

When exploring the NBC power relations, one should determine first how the observed organizational system is set - the choice model of analysis involves the subtle issues regarding the power relations to be described - since it will determine what power relations and patterns to put the emphasis on.

In the introductory section to this chapter I described three different patterns of relation: the pairwise or dyadic interorganizational relationship; the interorganizational set; and the interorganizational network.

I want to paint a picture of the NBC power relations as a whole, so the dyadic model is unsuitable for my purposes. If I choose the interorganizational set model, I will have to make the NBC my focal organization and determine the power transactions only as they flow to and from it. This model would be useful for putting more emphasis on NBC exchanges, but it does not necessarily reflect the research reality; one cannot see the NBC as the most important and focal organization in the Canadian Jewish Community.

The fact of the matter is that the NBC is only one of several Jewish organizations. Therefore, I find the interorganizational set idea as described best suited for the Jewish organization phenomenon. One can claim that the best-suited model is the model set with the federations in the focal position; but by doing this, the transactions described will be focused more on between the federations and the other Jewish organizations than those transactions relating to the NBC. To meet the goal of this chapter, which is to describe both the NBC's direct power transactions and other transactions that directly or indirectly influence the NBC, I will need to utilize the two models.

When dealing with power and the NBC, one should notice
that the NBC's decisions must be made against the continuing
demand of apportioning community dollars to meet local and
regional concerns, national programs, overseas exigencies
and Israel's needs. One can be assured that each of these
groups has major constituencies and strong proponents, all
of which are valid and necessary. The situation is further
exacerbated by the lack of a clear demarcation between
federations and national organizations, and blurring among
the national organizations as to programmatic
responsibilities, roles and authority.

Because the NBC constitutes an interface of
multiplicity of groups operating from diverse goals,
resources and authorities, it functions as a locus for
exchange and bargaining. But, these divergences of opinion
are not limited to the various sectors and their supporters
- it is frequently a dilemma for the individual delegate who
has to balance his commitment to supporting the quality of
Jewish life in all its variety. For methodical reasons
(Yalovsky, 1988), I will begin first with power relations in
the community that indirectly involve the NBC - the
transactions between the federations and the national
agencies.

One can write an entire dissertation just on dealing with the power relations between the federations and the national agencies (mainly the CJC), pointing to the constant erosion in the power and legitimacy of the CJC. However, I will deal with this issue only when it interfaces with the NBC operations and influences the decision-making process in the community.

One of the most documented tendencies (Waller 1970) in the Canadian Jewish Community is the fact that the federations assume more responsibilities in regard to issues like services and programs delivery. Educational programs on the "Holocaust" and "Yiddish", and other things were delivered by the CJC, but are now considered to be local programs to be delivered by the federations. As a result, the role and mandate of the CJC (now in a process of redefinition), will continue to diminish.

One can draw a parallel to this local tendency in the Jewish community with a similar one in Canadian society as a whole. The British North America Act, which is the basis for the Canadian federal system, has not changed in the last 120 years; however, the nature of the relationship between the provinces and the federal government has changed a great deal.

In the beginning, the federal government was much more
influential in regards to dictating the political and
economical agenda; now the federal government cannot ignore
provinces like Ontario and Quebec. The increased difference
in provincial power comes from economical growth,
development of resources, increased population, greater
sophistication and the changing bureaucratic structure. So
as we perceived the CJC itself as the parliament of Canadian
Jewry and more involved in the delivery of services, this
tendency is now changing to coincide with the national
tendency (Waller, 1988). From now on, the CJC will be
concentrating on matters like community relations,
government relations, and programs that are perceived as
national, although they may be delivered regionally to the
communities.

To better illustrate the tendency towards local
delivery of services in the Canadian Jewish Community, this
table shows the increases in the federations' allocations to
local beneficiaries from 1987 through 1990:

Increases in Federation Allocations to Local Beneficiaries*

(budgeted increases in local allocations over previous
fiscal years in %)

Community	1990	1989	1988	1987
Montreal	(5.0)	0.0	1.5	n/a
Toronto	6.0	16.0	13.6	6.8
Winnipeg	3.0	4.0	(3.0)	3.0
Vancouver	4.4	6.4	8.0	15.0
Ottawa	4.57	5.0	4.0	5.4
Calgary	0.0	3.85	8.0	0
Edmonton	3.6	0.0	(18.1)	0
Hamilton	(15.0)	(.7)	41.0	1.0
Windsor	2.0	n/a	4.0	1.0
London	5.52	5.0	0	2.7
Atlantic	n/a	n/a	7.0	0

* NBC, 1991b

One factor in the CJC's position in the community is
the issue of regionality (Silverstone, 1992). The regions
in the Canadian Jewish life are somewhat unrealistic; this
is because several regions can no longer be defined as
region anymore - they consist of only one individual
community. This is the case with Quebec, which has only the
one meaningful community of Montreal. The same situation
exists in Manitoba, where Winnipeg is the sole community.
The only true region is Ontario, which has 17 communities
(one can add Alberta, with its two communities of Edmonton
and Calgary).

So the concept of regional funding in many ways is
becoming more and more inequitable in that what is really
being funded is not a region but rather a local federation.
Furthermore, in most of these cases, the region and the
federations are merged, such as in Winnipeg. The only
legitimate congressional regions in which congress remains
separate from the local federations are Ontario, British
Columbia, and Quebec. So when the NBC is funding the CJC,
and it in turn funds the regions, the NBC ends up funding
the federations in the merged regions. The only regions
which are accountable for their allocated budgets are the
unmerged regions. This process contributes to the
deteriorating status of the congress in the communities, and
thus makes the NBC's task even more complicated.

The federations add to this conflict by stating that especially in the unmerged larger communities like Toronto and Quebec, there is no justification to the presence of congress, and that the local federations can deliver the whole range of programs on a local basis. They point out that congress ought to be in the 16 other communities.

As always, the NBC is caught in the middle as it tries to retain CJC status in the community, but at the same time tries to avoid redundancy and comply with the federations' wishes. The latter, complying with the federations' wishes will have far-reaching financial consequences; the yearly allocated sum (to congress) of about $4 million will be reduced to about half or $2 million.

So what domain is left in which the CJC may operate? According to the NBC chairman, they will be dealing with defense advocacy representation. He admits that the national agencies see the NBC as "federation people", but he added "we also have many problems with the federations because we are, in many cases, on the side of the national agencies. So it is a no-win situation ... for example, I have to go to the national agencies and tell them to cut their budget by 5.8% - are they going to like me or the NBC? ... so it is no-win, especially when you are dealing with money" (Rosenfeld, 1991).

When the NBC found itself in the middle of a no-win situation, the need for a task force to redefine the CJC and its domain came about. The joint NBC-CJC task force, also known as the Lithwick Report, (from October 10, 1989) tried to accomplish the unaccomplishable, which was to cave into the federations on the one hand, while still leaving enough living space for the CJC.

The task force members were well aware of the problematic (no-win) situation, and in the introduction of their report, they found it necessary to note: "The Task Force believes it has come up with a set of recommendations which, if not exactly what each of us would ideally want, nevertheless represents an honest and workable compromise. It is our view that the proposed new partnership between Canadian Jewish Congress and the federations can serve to underscore the national importance of the Canadian Jewish Congress, to reinforce its roots in the national Jewish community, and to ensure more satisfactory representation and accountability."

The task force began by looking for a compromise and not necessarily the "right solution". In an environment of such power-relations magnitude, the reality is that it had to look for a "workable compromise".

The report also went on and portrayed the CJC's deteriorating situation: "Although it (CJC) is the oldest and most important national Jewish organization in Canada, Canadian Jewish Congress has been challenged by the emergence and increased visibility of other national and local organizations, and its own procedural difficulties along with the ambiguous situation of its regions. In addition, the political base of the national Jewish community has shifted. Federations are now economically and politically ascendant and are demanding a greater voice in national communal policies which they fund."

The compromise that came about said that "it is in the best interest of the community that CJC National be restored to its preeminent position in the community". However, it also said: "Such a restoration will require significant alterations in the organization's mandate, priorities, structure and funding." The Task Force limited the CJC mandate to basically two foci: "to serve as the major spokesman for Canadian Jewry; and "to serve as a planning and coordinating agency for the national community in those areas within its jurisdiction." Also, it "should focus on the articulation and coordination of activities falling within the domain of its national programs, as well as on community mobilization with respect to national concerns."

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As a spokesman, it should be concerned, "because of
potential ideological differences or divergent interests,
only with issues for which there can be demonstrated to be
substantial majority support within the Jewish community."
It is vital that the CJC follows a well-defined procedure to
determine that such support exists. At the very least,
there should be clear support in at least one of the two
major federations/regions, as well as in a significant
number of other federations and regions".

The bottom line is that even in its own legitimate
domain, the CJC is not allowed to operate as it finds
necessary, but rather to seek the support of the federation
before engaging in any action. One should remember that
this is a so-called compromised formula and, as it was
supported by the NBC, indicated the deteriorating status of
the CJC.

As mentioned, one of the main battle grounds was on the
subject of the delivery of programs, and what did the task
force have to say about it? "Local programs, and
particularly those programs that fall into what we might
call the "national survival" domain (such as youth,
education, Yiddish, assimilation and intermarriage, history,
archives, and holocaust programs), should be the
responsibility of the regions or the federations".

In the part dealing with the structure of the CJC
national, the task force recommended that "the role of the
federations in the CJC national be enhanced significantly to
appropriately recognize their status as senior partners with
the CJC in the pursuit of national Jewish policies ... It is
recommended that the federations play a more significant
role on the Administrative, Officers and Executive
Committees via increased representations ... the task force
recommends that funding for the CJC national's programs
continue to come primarily from the federations via the
NBC." Another example of a national agency seeking the
coherence of its domain against federation take-over is the
JIAS (Kage, 1992). The same pattern that existed with the
CJC was valid here as well - the NBC was caught in the
middle, and again, the magic formula was to form a task
force (Charles Diamond Chairman, August 19, 1988). Again,
we found traces of the NBC trying to remain neutral, but the
federations' power was too strong to resist, so the
compromise outcome basically favored the federations: "The
task force recommends national collective responsibility
remain operative, but with a realignment of the tenure from
three years to two years. Further, the modification is
subject to review within two years.

The recommendation is premised on the service impact <u>greater</u> <u>federation involvement will have on the resettlement process</u> and the resultant expeditious mainstreaming of Jewish immigrants and refugees ...

"The federation's role in the planning and coordination of resettlement is crucial ... The federation, by virtue of its centrality, is critical to the marshalling of the various institutional service resources necessary for Jewish resettlement ... If coordination and cooperation are the critical elements underscoring the functioning of a network of agencies, the federation, by virtue of its centrality must assume a pivotal role ... The lack of (JIAS) working relations with federations were seen as factor(s) accounting for the dearth of strong community representation (federation) within the national and local leadership structure. Drawing on the U.S. experience, the task force learned that the HIAS solicits the federation for appointments to its board. The practice of recruiting from the leadership cores of the U.S. federation serves as an essential communications link between the HIAS and the respective communities receiving immigrants. As Pfeffer (1981) noted, the practice of exercising power through penetration of the other organization's board of directors is well documented.

In this section so far, I have dealt with the power relations between national agencies and federations that do not influence the NBC directly, but rather indirectly. These power relations patterns are of an interorganizational network linked by a specific type of relation without the presence of a focal organization.

In the next part of this section, I will use the interorganizational set approach, where the emphasis is on a focal agency (for purposes here, the NBC) and its relationship with other organizations. In this case, the power process is directed towards the NBC and is influencing it directly. I chose as an example the National Campus Services - it will help us to understand the root of a conflict between the NBC and the federations, how it developed, and how the Federations have the power to override any decision of the NBC.

Perhaps one of the most important subsets of the larger Jewish community is the Jewish campus community (NBC, 1990). This community deserves high priority not only for the sheer numbers that it represents - 80-90% of all Jewish college-age youth attend university -- but also for the pivotal role it plays in a young Jewish person's life; it is during the university years that most young Jewish people either strengthen their institutional and communal ties to their Jewish identity, or cut them loose all together.

The reasons for this, and the way to make sure the ties are strengthened, are easy to see. Every Jewish student arrives at university with his or her own degree of Jewish experience and is then exposed to an influential diversity. (And this diversity is constantly changing -- 25% of the student population changes every year.) By being challenged through this diversity, the conscientious young Jew calls into question his or her own value system in the context of their surroundings. While it is unclear what affect the young students' Jewish identity plays on such issues as marriage, career choices, personal relationships, and communal associations, it seems clear that the challenge will either reaffirm their Jewish identity at a higher level of maturity, or threaten it entirely.

As these students grapple with this internal challenge, it is critical they are provided with a context in which to accurately assess the importance of their Jewish identity. The leaders of tomorrow's Jewish community will come from this group, and therefore, it is wise to invest in them today through Jewish campus activities that will provide them with leadership training. Local campus organizations, local communities through the federations, and B'nai B'rith have begun to form the partnerships necessary to develop civic responsibility in the Jewish student, but the success of these partnerships is still open to question (NBC, 1990).

The best organization for addressing the needs of the
Jewish student population is the local campus organization.
As a local entity, it will know first-hand of the needs,
concerns and issues particular to that community, and can
best serve as the 'point of entry' for a student into that
community.

With such a diverse population coming from all areas,
the campus organization is far more complex than a single-
issue organization. Its primary concern should be that of
stimulating intellectual growth and personal development;
but given the community atmosphere of the campus, the campus
organization must also serve as a 'full-service'
organization, the place where a student can find support
when challenged as a Jew, a source of Jewish expression, and
a stronger, collective voice on matters concerning the
Jewish student (NBC, 1990).

For a campus organization to be successful, it must
foster the idea of 'communal ownership'; not just of the
campus, but the entire community. Canadian Jewish
communities have helped with this idea over the past several
decades by providing services to Jewish youths attending
Canadian universities. Local federations have helped as
well, with resources, planning, funding and by acting as a
link between the nearby university and its community at
large.

However, the mobility of the Canadian Jewish student population requires that a community's responsibility extends beyond its geographic boundaries. Student organizations on campuses in communities with smaller Jewish populations would be at risk.

Based upon the principle of a collective national responsibility, local Canadian federations provide funding for national campus services through the NBC. This two-tiered approach to federation funding of local and national campus services demonstrates, at least in the theoretical sense, commitment to communal continuity.

There are approximately 21,000 Jewish students on Canadian university campuses. Their numbers are broken down into the following areas:

JEWISH STUDENT POPULATION BY COMMUNITY *

Montreal	7,000	(Seven schools) (5,000 at three universities; 2,000 at junior college)
Toronto	8,800	(Two campuses - York and U. of T.)
London	2,300	
Ottawa	600	(Carleton and University of Ottawa)
Vancouver	600	
Winnipeg	500	
Atlantic	350	(Three campuses)
Hamilton	300	
Guelph	150	
Windsor	130	
Calgary	120	
Total	20,700	

* NBC, 1990

Origin of Students

Although many Jewish students choose to attend universities in their home city, it is clear from the following table that a significant number opt for educational institutions away from home:

Table 2

ORIGIN OF STUDENTS ACCORDING TO COMMUNITY/CAMPUS *

Community	% Local Origin	% Out of Town
Toronto		
U of T	71.4	28.6
York	95.0	5.0
Montreal	75.0	25.0
London	5.0	95.0
Winnipeg	99.0	1.0
Hamilton	10.0	90.0
Atlantic	20.0	80.0
Windsor	15.0	85.0
Vancouver	100.0	0.0
Guelph	0.0	100.0
Waterloo	1.0	99.0

(Information was not received from Victoria, Edmonton, and Ottawa.)

* NBC, 1990

Federation Allocations

In keeping with local communal responsibility for local campus activities, in 1988 federations funded local campus operations in the following amounts:

Table 3
FEDERATION ALLOCATIONS TO LOCAL CAMPUS ORGANIZATIONS:
1987/89 *

Community	1987/88	1988/89	% Increase 88/89 over 87/88
Montreal	$474,781	$507,072	6.8
Toronto	222,000	255,000	14.8
Winnipeg	37,000	37,000	0.0
Ottawa	n/a	28,413	
Windsor	3,000	4,000	33.3
Calgary	n/a	2,000	
Atlantic	2,800	2,000	(28.5)
London	1,500	1,500	0
Hamilton	1,000	1,000	0
Edmontjn	4,300	4,568	6.2
Vancouver	95,000	140,000	47.3
Total	$841,381	$982,553	

* NBC, 1990

In addition to community allocations to local campus organizations, the National Campus Service agencies are funded in the amount of $394,525 by federaticns through the NBC.

The communal concern regarding the quality and
organization of services available to Jewish youths on
Canadian university campuses involved a special task force
in the Fall of 1988. In the task force report there were
about eight main problems with the delivery of campus
services that were identified. However, as in all previous
cases, the task force found that the connection to the
federation was a vital link to the success of the
organization: "In the view of the task force, the local
federation must retain the major responsibility for local
Jewish student organizations where the population makes this
feasible" (NBC, 1990). But here, the recommendations do not
coincide fully with the federation's point of view, and that
is because the task force recommended that "there is an
urgent need for a campus service agency that would truly be
national and would address the problems (which were
identified in the report)."

The task force report did recognize the potential
problematic recommendations and its consequences of the
NBC's relations with the federations. As a result, it took
an apologetic tone in the body of the report: "In the
course of the development of its recommendations, the task
force met with several federation representatives to apprise
them of the task force thinking, and to assess their support
for its recommendations.

Because these representatives expressed reservations about the essential thrust of the report, the task force decided to table this statement prior to a complete fleshing-out of the details and supporting documentation.

"The task force felt that unless there is support for the basic premises contained herein, further development of the recommendations is questionable. Nonetheless, members of the task force maintain that the analysis and recommendations remain valid."

The task force report was still presented to the NBC, and the process of conflict had begun. Several times, the task force recommendations had been put as a proposal and were rejected because of the federations' veto. The value of the campus program delivery was not questioned; everybody recognized the fact that campus services were worth delivering. However, the federations were concerned that the creation of yet another national agency with new bureaucracy was unjustifiable at the time.

The report was given to the plenary, and then behind-the-scenes negotiations began by sitting down with Montreal and Toronto to see if they were going "to buy it". They were reluctant to give in, and after all the negotiations, the report was presented although everybody knew it was not going to go anywhere.

It is important to notice the power structure in this case because it illustrates the ultimate power of the two larger federations of Montreal and Toronto. These two federations didn't support the program which went directly against the opinion of some of the smaller federations (in particular, the federation of London, which has 3,000 students with a population of 2,500 people). In the final analysis, the task force recommendations were rejected and a new compromise had to be presented that would appeal to Montreal and Toronto. This case not only represents the power structure relations in the community, but was also a test of the whole notion of collective responsibility.

In what position does the NBC find itself in these power transactions? As mentioned, the NBC became an agent on behalf of the federations to renegotiate the budgets of the national agencies; without the support of the federations of Montreal and Toronto, the NBC had no authority because it had no constituency.

Another example that illustrates this situation is that last year, the CJC director called the director of the NBC and asked for a special allocation of $10,000 for the Kurds (Rosenfeld, 1991). The NBC chairman had a conference call with all of his officers, and all but one said that it was a good idea for the NBC to give the CJC the requested money.

The only officer that hesitated said that maybe each local federation should decide for itself what it wants to do; later, he did agree to go along with the recommendation. As a result of the conference call and the agreed-upon suggestion, a fax was sent by the NBC to the 10 federations telling them not to make a local commitment because the NBC proposed to do it nationally. A day later, Montreal and Toronto said "no"; Montreal said it was a local matter, while Toronto said the Kurds didn't need the money because Canada was giving them all the help they needed.

One should remember that the staff and secretarial services of the NBC are provided through the Council of Jewish Federations. So although the NBC aims to be neutral, it finds itself in a difficult dilemma - how to represent the needs of the national agencies while being tied to the CJF.

To what extent did the creation of the NBC change the power structure in the community? Well, although very restricted, there are some in the community who think the NBC had a positive influence on the allocation process. Before, if the CJC or JIAS needed a specific allocation, it used to conduct several presentations to different communities, and each community responded individually (Kage, 1991; Rosenfeld, 1991). Now with the NBC in place, it is more of a communal response and at the same time, it also provides an opportunity to look at the direction

the CJC is going. So even from the CJC point of view, it is

a lot easier to have all the communities at the NBC table

and make one presentation instead of several.

Who loses the most from the creation of the NBC? It

has to be the UIA. As Elazar and Waller (1990) noted, the

percentage of all funds raised going to the UIA has declined

since the introduction of the NBC, primarily due to the

inflation in the costs of providing local and national

services (pg. 49). In addition some in various national

agencies leadership (Silverstone, 1992) think that the

creation of NBC has made the allocation process even more

complicated from a bureaucratic standpoint.

So then who gains the most? It depends on whom you

ask. The national agencies will say that the federations

do, the federations will say the national agencies do

(because now they have somebody to represent their needs to

the federations), and the NBC officials will say that both

sides gain.

If I had to answer this dilemma, I would say that it

was beneficial to both sides in the beginning. But erosion

of the NBC as an advocate for the national agencies and

smaller communities appears to be occurring with the

restructuring of the NBC. This will be discussed further in

the section dealing with the NBC and strategy formulation.

The NBC's Changing External Environment

One of the thrusts of this thesis is to examine the NBC within its relevant environment. As mentioned, the NBC is a non-profit and not very complex organization; but, even non-profit organizations operate as open systems, competing for funds, personnel and other scarce resources, and facing pressures to adapt to changing external conditions.

All organizations need to be aware of the variables (which include political, economic, demographic, ecological, cultural and technological factors) acting in their general environment. Katz and Kahn (1966) said everything besides the organization that is being investigated can be considered the "environment." Hall (1977) defined the environment in a much more detailed way and established the distinction between the "general environment" and the "specific environment."

Thompson (1967) noted that the "task environment" of the organizations includes those parts of the environment which are relevent to the determinations and achievements of the organizations' goals. The relationship between the task environment and the general environment is that of exchange.

Therefore, according to Thompson, every organization or community of organizations has two environments: the task environment and the general environment. His definition is applicable to the NBC.

To observe the NBC within its relevant environment, one should look at the wider context first. As Elazar (1976) describes, there are three factors in the environment that can affect Jewish organizations in North America (Canada and the U.S. combined):

1. North American civilization, with its special features;

2. world Jewry, including Canadian Jewish organizations, and in particular, Israel; and

3. contemporary technology.

The first two categories best describe the situation of the NBC. In the following section, I will describe the general environment (North American civilization) as well as the task environment (world Jewry, Canadian Jewish Organization and Israel) of the NBC.

The General Environment

North American society leans towards individualization (Elazar 1976), which affects the organization of the North American Jewish community.

The affect comes from the fact that North American Jews are
not viewed as members of a corporate group, because North
Americans do not recognize such claims. Group affiliation
to North American society is voluntary, in the fullest sense
of the word.

The combination of individualization and voluntarism is
reflected in the patterns of participation in North American
Jewish life. Since there is no separation of church and
state in Canada, the Jewish community is identified in
religious and ethnic terms, which is quite acceptable in the
context of North American pluralism.

The result of this, according to Elazar (1976), has
been a Jewish religious and communal pattern that, even in
its variations, is clearly identifiable as North American.
In the U.S., this pattern has two elements: a radical move
towards local control over Jewish religious institutions;
and a tradition of separation between those institutions and
institutions of North American Jewish life that have a
different set of affiliation patterns.

All North American Jewish communities fall within the
confines of the general environment. However, since the NBC
is a Canadian-based organization, a key difference between
the two North American countries should be noted -- the lack
of a separation between church and state by constitutional
decree in Canada.

Since Canadian federal policy fosters multiculturalism based on ethnic identity, there are nationally based Jewish community organizations which exist in Canada, but not the U.S.

The Task Environment

The national Jewish agencies and the local organizations (namely the federations) consist of the NBC's task environment. These are the organizations with which the NBC interacts on a daily basis; with whom it has an exchange relationship; and who are the objects of negotiations and bargaining. Local organizations in the NBC's task environment include:

The federations of: Montreal

Toronto

Winnipeg

Ottawa

Vancouver

Edmonton

Calgary

Hamilton

Windsor

London

Atlantic

National Agencies in the NBC Task Environment include:

Canadian Jewish Congress

United Israel Appeal

Jewish Immigrant Aid Services

Canada Israel Committee

Network

Canadian Professors for Peace in the Middle East

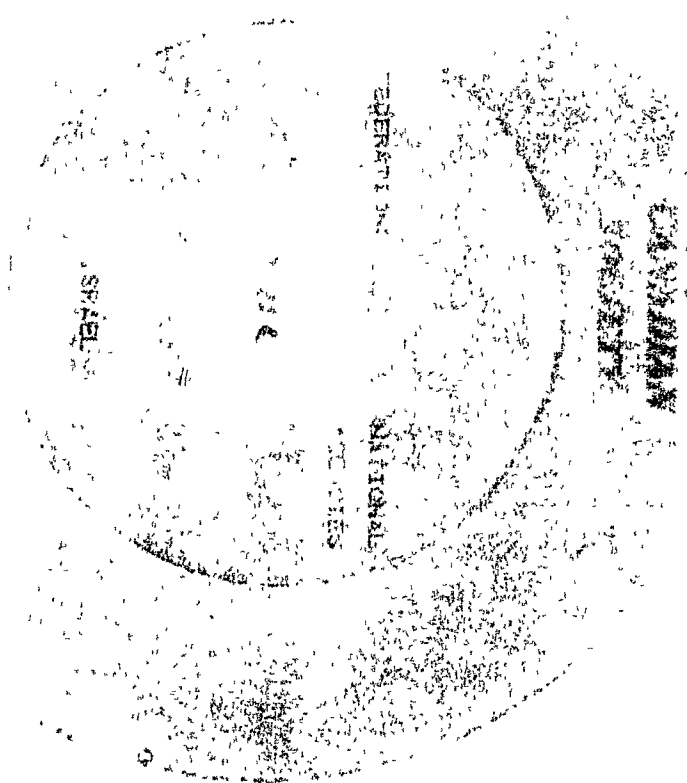Canada Israel Foundation for Academic Exchange

National Campus Services Committee

Joint Distribution Committee

Organization for Rehabilitation Training (ORT)

Hebrew Immigrant Aid Services

Jewish Telegraphic Agency

Rather than describe each organization and its special relationship to the NBC (which is done in other chapters of this dissertation, I decided to follow a different path. One can find a very unique phenomenon (which perfectly illustrates two theoretical components) in the NBC environment:

1. the relationship between geography and functional elements in an organization context and

2. the element of an unstable and changing environment. Both phenomenon shall be elaborated upon further.

One of the most important elements in the NBC's task environment is the State of Israel. The definition of "task" or "general" environment is not a geographic one but rather a functional one. A good illustration of this is the exchange relationship between the NBC and Israel. The fact that Israel is to be found in the NBC's (and all other Jewish organizations') task environment is based on a combination of elements:

1. the establishment of the State of Israel. This changed the environment of the Jewish communities around the world, including the North America communities, because Jews were no longer in explicit danger. The sense of security and pride that filled the communities caused further flourishment in the communities themselves, especially from an institutional point of view.

However, there is no better way to get a sense of the
American Jewish community in action as a polity, said Elazar
(1976), than by examining its response to an event of
magnitude - the Yom Kippur War of October, 1973.   The war
both sharpened the political dimension of North American
Jewish life and the political links between North American
Jewry and Israel within the world Jewish polity.   It did so
even as it took the edge off the unqualified adoration of
Israel in the post-1967 years.

Indeed, there may well be a correlation between the two
effects, since true political relations depend upon mutual
understanding and are limited by uni-directional
idealization and adulation.

Although the Yom Kippur War had an impact on the entire
Jewish community, it had a special effect on the NBC as the
body in charge of allocating money to different programs,
including those overseas.   (As the director of the NBC put
it, "The situation in Israel is a key factor in the
determination of funds.");
2. The other element which illustrates the linkage between
Israel and the NBC (and to this matter, some other Jewish
organizations) is the policies of the Israeli governments.
Formally, the commitment of the Jewish communities to the
State of Israel is total, no matter which administration is
in control in Israel.

But, a more careful observation will reveal that when
the relations between the Canadian or U.S. administration
and Israel are shaky, the environment in which the NBC
operates changes; it becomes more difficult to raise funds
and, moreover, the NBC finds itself operating in a less
favorable Canadian political environment.

3. When Israel and the Jewish communities have differing
opinions, the task environment can change and an under-the-
table conflict can develop.

This is the case, for example, in regards to the policy
towards emigration from Israel and the former Soviet Union
to Canada. While Israel tried to stop these developments
and asked the Jewish organizations to refrain from helping
them, the official Canadian Jewish community stand was that
the immigrants should be entitled to JIAS services, based on
a demonstration of need and subject to the criteria guiding
JIAS services to immigrants. Still, there is considerable
discomfort in the Jewish community over institutional and
individual efforts to facilitate resettlement in Canada as
being contrary to the interests of Israel.

Remittance to Israel by UIA *

Calendar Year	Remittance
1982	$26,481,000
1983	$27,954,000
1984/85	$30,603,000
1985/86	$36,307,000
1986/87	$38,378,000
1987/88	$40,813,000
1988/89	$36,261,000
1989/90	$35,387,000

* Fiscal year April 1 to March 31

* NBC, 1991b

This last topic will serve as a bridge to the second part of this chapter - environmental change.

Besides examining the specific content of the external forces, one should also evaluate the degree of predictability in important environmental developments. One way of assessing environmental predictability is to examine whether the resources delivered to and received from the environment during the past years have changed significantly or have remained stable; in the case of the NBC, the resources are the fund-raising money and the allocation of money.

If the resources have changed, how well could members of the NBC anticipate these changes? There may be no better way to illustrate the instability and changing environment of the NBC than with the exodus of Soviet Jews. Through most of the 1980's, the Jewish refugee flow to Canada substantially decreased, relative to the high point of the 1960's and '70's. Today, we are in the midst of a new cycle, distinct from the previous waves. The collapse of the Soviet Union and the rising of more democratic regimes, as well as intensified nationalism - and with it, intensified anti-semitism - create the situation where more and more Jews want to leave the East and immigrate to the Western world. The turbulent political environment does not end in the East.

Changes in Iran and Ethiopia created a pressure to take care of Jewish communities in undeveloped countries and to give the people living in them the hope of finding a new life in the New World. The commitment by Canadian Jewish communities doesn't diminish - they have to adjust to a different mix of immigrants. In this resettlement and integration process the federations, communal organizations, and religious institutions all must be directly involved to help the newcomer achieve his/her potential as a contributing member to the Jewish and general communities.

Unlike the U.S., which experiences the same immigrant flow, the seven Canadian communities are under tremendous pressure because in Canada, no matter where the newcomer settles, the whole community pays, since the effort is directed through the JIAS (NBC, 1988). In the U.S., every single community deals with the phenomena alone; because the vast majority resettle in a limited number of cities (New York, Chicago, Boston and Los Angeles), the rest of the communities do not share the financial burden.

The other dimension is ideological. We already mentioned the debate around Soviet immigration: whether they are fiscal refugees, they should go to Israel, or if the community should support them. This whole debate cannot be solved by JIAS alone; it has to be part of a larger forum.

As the organization allocating money to JIAS on the one hand, and as representative of the federations in national programs on the other, the NBC finds itself in the midst of dramatic change to which it has to adapt quickly; it has to ensure the basic standards of service, regardless of where newcomers might settle in Canada.

In its adaption process, the NBC initiated a study on JIAS policies, programs and operations. This study helped the NBC redefine some of the policies and adjust allocated sums (NBC, 1988).

Due to the weakening economies of the U.S. and Canada in the early 1990's, the budgets of many government-like organizations have been cut. This trend didn't miss the Jewish communities across America. However, as a result of Exodus operation, which drains the funds of a lot of communities, (especially Toronto, which had been hit by a recession and inflated housing and development costs over the years combined with the urgent need to help Soviet Jewry), the budget to this operation remained about the same, or had even been increased. For example, the NBC budget for 1991 was cut by 5.8% from the previous year, while the JIAS budget remained essentially the same (although it did have to absorb its 1990 budget deficit into its 1991 budget).

There is no better way to realize the NBC's unstable and changing environment than to present the change in allocated money for the JIAS. This table shows the change in the wave of immigrants in the mid-1980's:

ANNUAL NBC ALLOCATION IN DOLLARS TO JIAS 1980 - 1988 *

Year	Approved	Surplus	Supplemental	Actual
1980	1,742,586		303,441	2,046,027
1981	1,916,000	97,501		1,818,499
1982	1,851,000	72,511		1,778,489
1983	1,674,898	252,101		1,422,797
1984	1,434,100	281,559		1,153,541
1985	1,157,448	159,724		997,724
1986	989,700		114,654	1,104,354
1987	1,134,210		298,290	1,432,500
1988	1,715,700		320,200	2,035,900

* NBC, 1988

Changes in the policies of foreign states can change the context and put additional money constraints on the Canadian Jewish community and the JIAS through its NBC funding. As of June 1, 1988, the U.S. government ceased its funding for the care and maintenance of Soviet refugees bound for non-U.S. destinations. This was translated into an approximate annually revenue loss of $1,239,000 to JDC. At that time, the U.S. government also discontinued funding the processing and documentation of Soviet refugees bound for non-U.S. destinations.

As a result, the HIAS estimated it lost approximately $575 (U.S.) per person on government funding, for which it will necessarily turn to the NBC to replace.

As shown in this section, some crucial changes have occurred in the environment of the NBC since its establishment. These changes influence the flow of all resources into the organization. In closing this section, I will assess the way in which the NBC responds to these changes.

The NBC's director claims that the NBC response to its changing environment is insufficient (Abugov, 1989). To illustrate his point, he presented a 1988 study done by the NBC on the JIAS. (He thinks the NBC should have done the study earlier so that it would have been better equipped before the overlange.)

To best assess the NBC's response, these three steps should be followed:

1. to what extent did the NBC notice its environment was changing (I am aware of cases in the research in which organizations didn't notice such changes and failed to react as a result); we can conclude that the NBC did observe the changes;

2. if it noticed, how fast did it react? The NBC didn't react fast enough. Both in the case of the JIAS and changing attitudes toward Israel, there was a lagging effect, which does not allow the NBC to receive very high marks; and

3. in what fashion did it react? The NBC reacted by requesting its partners to change the organizational scope of its operation and structure. These changes will be discussed as part of our next section.

Strategic Planning and Change

The NBC was established as a budgeting process; it is a tool the federations use to better control the allocation of money to the national agencies. However, every social organization has its own viability and growth patterns. Managing organization change is dissicult, and organizations that don't react to changes around them tend to die.

A successful organization inherently seeks stability in hopes of preserving what has led to its very success. But stability can be a double edged sword. As the organization continues to grow, the internal congruence can stunt the organization's ability to learn and change with the growth. The resulting inertia may not be harmful if the organization is still effective and its strategy remains viable; but, if environmental conditions shift and/or a performance crisis arises, the inertia can be devastating. Today's success may sow the seeds of tomorrow's crisis if environmental conditions change and an organization is unable to respond (Tushman, O'Reilly, and Nadler 1989).

As per Scott Pocls and Van de Ven (1989), there are three basic explanatory models for how and why development in a given organization occurs: historical necessity; functional goal attainment; and emergent processes.

From an historical approach, the most widely accepted theory on development is developmentalism, as noted by Nisbet (1970). The basis of this traditional theory is immanence; that is, an underlying logic, program or code regulates change within a social system and moves it from a given point of departure toward a prefigured end. What lies latent, rudimentary or homogeneous in the embryonic or primitive state becomes progressively more mature, complex and differentiated. External events and processes can influence how the immanent form expresses itself, but they are mediated by the necessity of historical logic, rules or programs that govern development (Van de Ven and Poole 1988; 37).

Classical theories of social development hold that growth or change must take a particular course because the final end requires it.

Historical necessity dictates that the events occur in a prescribed order because each event sets the stage for the next one. The necessity can result from natural or biological laws, logical necessity, or institutional requirements.

Under the functional approach, there are models of social development that do not require a specific sequence of events, but do imply standards by which change can be judged.

While there is no prefigured rule or logic to these systems, there is still a way to assess when a system is developing -- when it is growing more complex, more integrated, or filling certain functions. Development is movement toward functional autonomy, and can be measured by observing a move from a present state that is unbalanced or in tension, towards one that fits the standard of what a 'developed' system is as posited by functional theories. Although there are no historical assumptions in these models, there are sets of functions, goals, or forms necessary to sustain an organization and they must be acquired before change can stabilize.

While the historical approach specifies a necessary path for change, and the functional approach leaves the path open but specifies the end states or goals change must satisfy, the emergent approach leaves both the path and function open.

Models in this approach hold that requisite paths or functions may be too constricting. They judge stability and departures from it not by necessary prefigured directions or a set of functions that development must satisfy, but by an emergent process. The process can be specified, but it is either socially constructed or seemingly random; it can operate in different organizational forms and generate different development paths.

There are four distinguished models within the emergent process:

Dialectical model -- an antithesis to the current state develops and from the ensuing clash, a stabilized synthesis emerges, which then becomes the new thesis as the process continues;

Evolution model -- change is a probabilistic process of variation, selection and retention (Aldrich 1979). Typically, this model deals with processes of change in overall populations of organizations and technologies on a global level;

Self-enforcing cycles model -- interlocking action loops among interdependent people and organizational units create vicious cycles that promote change for the worse (Masuch 1985);

Garbage-can model -- decision-making processes occur when problems intersect with distracted people who hold the solutions and fluidly engage in opportunities for making choices based on their own volitions and interests (Cohen, March, Olsen 1972).

When one observes the process of change in the NBC and, consequently, its adaption to it, one notices a slow and incremental emergent which started with the departure from a purely budgetary process to a pre-planning stage (the in-de⌐ h studies conducted by the NBC on its beneficiary organizations). The NBC periodically reviews its beneficiary agencies as part of the regular process of ensuring that their policies and operations remain congruent with the goals of the Canadian Jewish Community and to evaluate their service delivery and performance. So far, the NBC has reviewed the CJC, JIAS and each of its four academic-related beneficiary agencies.

These studies enable the NBC to thoroughly assess the mandates, operations, and effectiveness of its beneficiary agencies than would otherwise be possible during the rather circumscribed budgeting and allocation function. Each review consists of an in-depth study by a task force, which reports its findings and recommendations to the NBC plenary.

Lately, the NBC has been engaged in an even more ambitious project - a major demographic study with the Canadian Census - the result of which will have far-reaching consequences on many programs within the Canadian Jewish community (Abugov, 1991). These studies (the departure from dealing solely with budgets) can be seen as the first step in the development process that the NBC is undergoing.

The next step in the development process should be a planning mechanism which will become an integral part of the NBC. The goal of this will be to set the priorities in the communities and make sure that the budget process coincides with those priorities. An unstable environment can cause a shift in the policies on a yearly basis, so there has to be a sense of continuity and direction - particularly since the players (NBC delegates) change. If no priority is set and no long-term direction established, there will be no basis upon which to make the judgment.

The process is one in which decisions are arrived at after considerable reviews and thought. However, decision-making is not a purely rational process, and under a lot of the decisions there are hidden political motives.

For the NBC to assume the planning mode responsibility, it has to be restructured -- a planning mechanism has to be instituted. Part of this body's responsibilities will be to evaluate and assess the efficiency and validity of programs. This will be a vital mechanism because, ultimately, programs are delivered locally. The impact of that is, for example, if the CJC or JIAS says it has a great idea for a new service, the federations could say "It's fine, but we're not interested." The mechanism will be the means by which an evaluation and determination can be made to ensure services that are required will be confirmed.

One cannot expect that this process will evolve without conflict and a power struggle -- restructuring will require additional units and more staff, which translates into more money. As noted before, the NBC operations financed through the CJF, and how far the latter will go, remains to be seen. In the past, the CJF was not particularly receptive, and it is less likely to be so now that is is trying to cut its budget.

The other alternative is to work it out through the NBC itself; that is, the NBC will have to allocate special funds -- money that comes from the federations -- to some of these operations. To what extent the federations will be receptive to this idea depends a great deal on whether they consider the new mechanism is providing better control of the nacional programs. It also depends on whether these programs are through the NBC, or whatever new body they see as taking authority from them and transferring it to the NBC. If the federations agree on the second notion, the chances for the new mode to be financed by the federations are slim.

Even within the NBC itself there is no agreement as to how the new mode is supposed to work functionally or structurally. The two representatives of the different approaches are part of the NBC's core -- on one side, the chairman, and on the other, the director.

Maybe the fact that the former is a lay person and past federation president and the latter is a professional makes a difference. As for the two approaches to the planning mechanism, one should notice that the differences are not just technical or semantical, but rather represent a difference of opinion with regards to NBC's future role in the community.

The NBC chairman's ideas start from the basics (Rosenfeld, 1991) - he does not like the idea that the NBC is obliged to report to the CJF in New York, but the problem stems from the fact that CJF Canada is dependent and supported by the CJF in New York. The solution, according to the chairman, is to gain independence for CJF Canada by cutting CJF Canada away from CJF U.S.A., and then letting the NBC report to CJF Canada. "It (CJF Canada) has to be independent - it should have its own board of directors, its own offices and stuff, and its own budget. It has to get its operational money from its own federations."

Where does the NBC fit into this suggestion? The chairman sees the NBC as a subcommittee that deals with the budgetary issues of CJF Canada.

There are some far-reaching consequences to this approach: In its present state, the NBC is kind of an anomaly because the beneficiary agencies sit around the table with the money-raising bodies (the federations), and are party to the discussion and decision-making process (the constituent members).

If, however, the chairman's suggestions are going to be accepted, there is always the possibility that the national agencies will no longer be part of this CJF Canada sub-committee. This is because the NBC will no longer be an independent body, but rather part of the federation establishment of which the national agencies do not belong.

Moreover, the chairman visualizes the NBC as a part of CJF Canada dealing only with budgetary issues; he does see the need for a planning mechanism, but only as a part of the federations. If it is part of NBC, it will not make a lot of difference to the national bodies because "they will not like the idea of the NBC controlling their long-term programs - that should be their board of directors' prerogative". The bottom line, according to the chairman, is that "the federations want the planning mode within their domain ... and what the federations want, that's what will happen."

As expected, the national agencies, with the CJC leading the way, are against this whole suggestion. They see the trend as following the U.S. model, in which the power will continue to shift from the national to the local arena. This could spell the end of the meaningful national agenda in the Canadian Jewish Community.

What role will be left for the NBC in this alternative? The chairman does not see any meaningful change if this plan is implemented, since he sees the NBC as part of the federations already "It doesn't have any status, doesn't have any ballot, doesn't have any identity ... the only thing that runs the NBC is the 10 presidents and the 10 executive directors (of the federations) together with three national presidents and three national executive directors. That is the Steering Committee, that is the NBC ... when I am chairing the table, I am chairing federations for the most part ... We have an unwritten rule that unless two of the three (UIA, Montreal, and Toronto - because Montreal and Toronto represent more than eighty percent of the funding) are in agreement, the proposal or budget or motion is not accepted".

At this time, the national agencies, together with the NBC executive director, are fighting a desperate battle to avoid the trend that the chairman just highlighted. The national bodies want to see the NBC remain as an independent body that can bridge the gap between the agencies' needs and the federations' willingness to contribute. In the middle of this dispute is the NBC executive director, trying to take care of not only the national agencies interests but also those of the smaller communities. For their part, the federations are feeling that he has overdone it.

He knows that if the agencies, together with the smaller communities, sit together at the table, he can take better care of their interests than if the larger communities have all the say.

What does one do when one cannot immediately solve the differences of opinions? A compromise must be found - an alternative upon which everybody can agree until the conflict is resolved one way or another.

A compromise that came about as the result of the efforts of an ad hoc committee of the NBC was circulated at the plenary preliminary memorandum and received a number of written submissions - some from federations and some from national agencies (NBC, 1991a).

The compromise starts with some basic underlying assumptions: The Jewish community of Canada, which, through its federations and the UIA, should finance the programs of the various national agencies; a representative and responsible organization would assure the campaign dollars are allocated in a way that is efficient, effective, fair and responsive to national needs.

However, the compromise suggestion must continue if the assumption is to be more than just a platitude; therefore, the revised NBC, through its structure and with its resources, must improve the way it budgets, allocates and assures accountability, and it must move promptly into the area of planning, priority setting and coordinating.
The tasks that have to be performed require the provision of professional resources and the development of a national leadership.

In the broadest sense, the constituents of the NBC are the Jewish citizens of Canada who contribute to the Combined Jewish Appeals, which is conducted by the federations in conjunction with the UIA. Every federation and the UIA should be designated as a "contributing member" of the NBC; every national agency which is a recipient of funds allocated by NBC should be designated as an "agency member", all contributing members and agency members should have representation on the NBC.

Following these assumptions, the suggestion would be to deal with the NBC preferred structure:

The Steering Committee (or Board of Directors)
The steering committee (or board of directors) of the NBC should be comprised of representatives named by the contributing and agency members, with each member being entitled to at least one representative.

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To reflect population and financial contribution, larger federations and the UIA should have greater representation. Following this formula, the steering committee would have approximately 25 members, officers included.

Continuity and commitment are essential; therefore, representatives should be specifically named (with a named alternate) and serve a fixed term.

It should be encouraged for executive directors of all members to attend steering committee meetings, but they will not have voting capacity. At minimum, the committee should meet twice a year.

The Officers (or Executive) Committee

The officers committee (executive committee) does not need to change much from its present make-up. However, it should include the chairman of any standing committee, and embody the following:

A) The steering committee should elect people to the Officers Committee on a personal basis and not as representatives of any member. The one exception would be the president of the CJF, who should always serve on this committee;

B) The term for each appointee should be at least two years; and

C) The steering committee should draw from people who reside in Toronto, Montreal, and each of the geographic areas of the country, to sit on the officers committee; but the principal factor should be personal experience and talent.

The officer committee should have the authority to act on behalf of, but be responsible to, the steering committee. It should meet as often as needed, and conduct as many meetings as possible by conference call.

The Standing Committees

Budget Allocation and Accountability

There should be a single standing committee to deal with budgets, allocations and accountability, and it should be comprised of named individuals who will commit themselves for a fixed terms.

Budgeting for specific agencies can be dealt with by separate subcommittees; but the final approval of the budget should be done by the budget committee, and it should be done at the same time each year.

While agency members should participate in the review of their own budget, no agency member representative should be a member of the budget committee.

Planning Priorities and Evaluation

The goal of this committee is interim and long-term planning, need assessment, and priority setting. While it should address issues on an agency basis, this committee should look at general areas of need or concern, and search out redundancy, duplication and unmet service needs. Members should be specifically appointed to fixed terms.

Ad Hoc Committees

Ad hoc committees should be created under the authority of either the steering or officers committees to deal with emergencies and issues that are clearly of national concern, but do not fall under the mandate of one of the standing committees.

Officers as Ex Officio Members

The officers should be ex officio members of both standing committees.

Regional Representation to the Extent Possible

The experience, skill and commitment of the members of each standing committee should be the primary concern. However, the appointments should be made in an effort to represent all areas of the country fairly.

The Plenary

With the revised committee structure and broader representation of the steering committee, the role of the plenary will have to be carefully re-examined to see what, if any, purpose it now serves. If its function is deemed repetitive, there will be little reason for its meetings, which are costly to hold. Therefore, at the least, the plenary should be limited to far fewer meetings in which it deals with only review and approval of general policy matters; at best, it should be eliminated.

Staff and Support Services

The present arrangement with the CJF is not capable of handling the increased responsibilities resulting from the expanded budget and planning activities. There should be a change in the arrangement, an NBC budget line item added to the national budget, or both.

Two things that should not change, though, are that the headquarters for the NBC should continue to be those of CJF Canada, and that the director of CJF Canada should be the senior supervisory staff person for the NBC.

Decision-making Process

The NBC should continue to operate on a consensus basis -- but not to the point where difficult decisions cannot be made. The concept of consensus survives, and voting is covered as well, but small factions representing dissenting views should not mire down the decision-making process. The tendency should be to force the issue until it is absolutely clear that a consensus will not be reached.

What can and cannot be found in this new compromise will be the topic of the following discussion.

The overall suggestion seems to give the NBC the planning model it needs and recognize the need for it to take on greater responsibilities in the community. Yet at the same time, it gives the federations the control on the NBC that they want.

The driving force of the NBC will be the steering committee, which should be called the board of directors to reflect its new role. As mentioned, in the old arrangement the steering committee wielded the power behind the scenes (at least according to the NBC chairman); this new arrangement merely formalizes a reality to that situation.

To offset the ultimate power of the steering committee and to make sure it does not occupy itself with trivial day-to-day business, an officer committee has been created.

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One of the interesting developments, as I see it, is the creation of the budget allocations and accountability committee. The final approval of the budgets will be done by this committee and no longer by the plenary. According to the suggestion, this committee will be made up of individuals and not representatives of organizations, so it is unclear how (if at all) the balance of power between the different segments of the community is going to be maintained. Agency members can participate in the review process of their own budgets; but since no agency member will be part of the budget committee it will be up to the federations' representatives to determine the agencies' budgets. This is opposed to when the plenary used to be the forum for the final approval of the budgets. The notion of "sitting together around the table" (allocators together with beneficiaries) is going to lose a lot of its meaning.

The creation of the planning priorities and evaluation committee proves that the idea of planning has been accepted. However, the committee's job description is limited and concentrates more on redundancy, duplication and unserviced needs, instead of setting priorities and reviewing policies.

On the representation issue, the new proposal is trying to make everybody happy by suggesting that all areas of the country should be fairly represented - but again, "the experience, commitment and skill of members must be a major concern". This last statement leaves the door open to the possibility that the small communities' representation will be less than adequate.

The situation is the same with the decision-making process - on one hand, the notion of consensus is still alive, but on the other, the need for reaching decisions through voting is mentioned as well. It seems to me that the tendency will be to force the issue more when a consensus cannot be reached. (One should wonder what will be the future of the two-out-of-three decision-making formula.)

One can definitely find the attempt to discontinue the binding relations with CJF U.S. and to be associated with CJF Canada. But to achieve this goal, CJF Canada will have to walk the distance and establish itself as an independent body.

In the last segment of this section, what model of development fits the NBC case should be determined.

It seems to me that the traces of two of the above-mentioned models in the development process of the NBC can be found.

Although some historical data is missing (the NBC is bearly 20 years old), it looks like the historical approach best fits the NBC situation - we are dealing with a change process which takes place in a social system that moves from a given situation to a prefigured end. The change in the NBC cannot be separated from the change of the Canadian Jewish Community as a whole, and the change in the latter can be observed as part of an even bigger social system, such as the American Jewish Community or the Canadian society, as a whole. Although it is beyond the scope of this dissertation, the larger scope in which the NBC operates has been highlighted; when dealing with large social systems such as the NBC, the model that fits best is an historical model. As stated, the NBC is in a midst of a sequence of events; each of these events contributes a certain piece to the final product, and each piece sets the stage for the next. Since it is only the beginning of the process, one cannot predict the final outcome; however, one can find the underlying logic that regulates the change.

There is also another factor (discussed earlier) underlying the NBC development process - power relations between organizations, as well as people. This fact leads me to determine that one can also observe traces of the garbage can model in the NBC developmental process.

People from competing organizations are given the
opportunity for making the choices their organization's
interests dictate - and by the virtue of doing so, dictate
the fate of the NBC.

The process is in its beginning, and only history will
tell what will be the new end state of the NBC.

CONCLUSION

This dissertation dealt with the phenomena of the National Budgeting Conference. The concept upon which the paper was based is strategic management. Little has been written about Jewish organizations as a community of organizations; most of the previous work that has been done describes one particular community or organization. Only Elazar (1980) nd Elazar and Waller (1990) tried to give a more comprehensive picture of the Jewish organizations of North America. Nevertheless, the concept underlying the earlier studies is political science, and in several cases, the conceptual framework dictated the analytical and conclusion of the study.

Although in this paper I focused on a single organization, the NBC, I observed it as part of a larger phenomena -- the organizational network within which the NBC operates. As I emphasized throughout the study, how the NBC interacts with other organizations in the network, dictates its activities to a large extent. The underlying themes of this dissertation are power on the one hand, and change on the other.

The NBC is not just another organization, but rather unique in several respects:

First, it is more of a process than a formal organization. As such, it does not have some of the characteristics of a more complex and formal organization. Management theory variables like hierarchy, or span of control don't play a role in the Conference.

Second, it is an institution located in the heart of an exchange - money allocation. In theory, one would expect this location gives the NBC a lot of power and authority; however, as we discussed that is not the case with NBC.

Third, the tension between cultural and environmental factors that influence an organization's behavior is well documented. Since the NBC is an ethnic organization (it is part of the Canadian Jewish Organizations network), the cultural factors should be more dominant; indeed one can find traces of these factors in the decision-making process (e.g. consensus) as well as in the structure of the organization's undefined borders (Elazar and Waller, 1990). However, one also finds the powerful influence of environmental factors (the Canadian polity). As a result, long-standing behavior, like concensus decision-making, starts to lose ground in favor of new behavior, such as making decisions by vote. In time, one should expect the environmental factors to become more dominant.

The NBC is a unique phenomena, even among the entire
Jewish organization system around the world. But what we
have learned from this study is that even in such an odd
case, as with any other social entity, it has its own
viability and development path, and complies with several
elements of strategic management theory.

For one, the NBC process does not take place in a
vacuum; it is an actor in a very dynamic environment. The
rapid change creates the need to adapt quickly, and although
barely 20 years old, the NBC is already going through major
changes in its mandate and process.

To help better understand the NBC phenomena, several
theories were presented in the beginning of the study. The
first concept presented was the public vs. private
distinction. In this regard, we presented the types of
organizations -- private, public and hybrid -- that blend
governmental and private features. We concluded that the
NBC is somewhere on the continuum between hybrid and public
organizations.

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                         NBC
|-------------------|----------|----------------------------|
Public                     Hybrid                        Private
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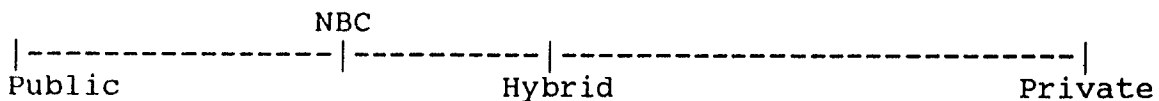
The decision-making process is not profit-oriented, but
rather politically oriented; it is the arena for different
groups to exercise power and to control relations through
the allocation process.

The decisions in the NBC tend to be reached through concensus, which is not uncommon in a non-profit organization.

The private side of the process has to do with two facts: the money allocated is raised through campaigns directed at private sources (individuals and organizations); and, the goals of achieving efficiency and avoiding redundancy in the delivery of programs in the community fit the patterns of private organizations more than public ones. (Although, one could claim that either goal is only an excuse for other organizations to exercise power and influence, and are not the real reason behind the allocations process.)

We dealt with Elazar's (1980) multi-dimensional categorization of Jewish community organizations, and concluded that the NBC can be categorized as non-territorial; however, it is non-ideological as well. The NBC itself is a national organization, but the dominant players within its environment -- the local federations -- are territorial for obvious reasons. One can argue the fact that the NBC is non-territorial reflects the distinction between the U. S. Jewish community and the Canadian Jewish community; the former tends to be more local-oriented, while the latter is more on the national side.

Another dimension of categorization by Elazar (1980) is government-like institutions. The underlying assumption of this category, which is that "institutions play roles and provide services ... that under other conditions would be played, provided or controlled by government authorities," does not fit the NBC model. The NBC, with the help of government-like organizations (the federations), works to establish services for the community.

The final category by Elazar (1980) that deserves attention is religious vs. secular types of organizations. The secular, according to Elazar (1980), consists of welfare, social services and Israel-oriented organizations. The NBC is secular in that it supports welfare, social and Israel-oriented programs; however, it also supports cultural programs that occasionally interface with religious ideology. So it can be concluded that the distinction between religious and secular is not so clear in the NBC's case.

The NBC strategy formulation concept was a central theme in this paper, and I emphasized that the very essence of the NBC's activities is formulation of the community's short and long-term strategies. In this assumption, I presented 10 distinct models of strategy formulation.

A mixture of four models by Mintzberg - culture, power, learning and environment - offers an explanation for the strategy-formulation behavior of the NBC (although they were not developed specifically for non-profit organizations).

In the cultural model, strategy formulation is seen as an ideological process. One cannot deny that a great deal of ideology plays a role in the decision of an individual or group to be active in the Jewish community. The central core of religious belief, supported by convictions, traditions, and experiences, becomes the base of a strategy. These factors determine the goals, objectives and mission of the organization (Segev, 1981). However, ideology and culture, which is also important, have their limits; where ideology stops, other processes, like power play a significant role.

Power was a central theme throughout the dissertation. Power means that the process can be characterized as overtly political. Although the use of political power is defined by Mintzberg (1983) as illegitimate behavior, we see it as a legitimate tool used by individuals and other organizations to push for their agenda and set of priorities in the community. I highlighted several cases in which the decision-making process was very political, and the exercise of power was a common behavior.

Since one can place the NBC at the intersection of local needs vs. national and overseas needs, the level of politicalization is fairly high. The NBC is one of the platforms on which the federations continue to dictate their agenda. The NBC is faced with micro politics when a power struggle is taking place inside the organizations; however, the NBC's ability to use power is limited because of, among other things, a lack of constituency.

The third model that interfaces with the NBC actively is the learning model. As discussed in the strategic planning section, the NBC tends to reach a decision on a given strategy and implement it in an incremental fashion. Moreover, the development and emergence of the NBC can be characterized by incrementalism. The learning model is very noticeable in organizations that deal with frequent changes in their environment incrementally.

This brings me to the last school of thought in strategy formulation -- the environment school. Throughout this dissertation, the importance of the NBC environment to its activities and survival was stressed. Researchers tend to characterize a given organization's environment as being stable or unstable; I have shown that the NBC's environment is very unstable, and that the element of change plays a significant role in the conference activities.

An organization can react to a rapidly changing environment in one of three ways:

1. Ignore the changes altogether, and by doing so, risk its chances of survival;

2. Adapt quickly in a sharp manner and risk the harmony within its units (with some organizations, this is the preferred way to proceed); or

3. Adapt incrementally.

The NBC is following this last route by trying to negotiate its way around. But the danger in this behavior is that it should be in pace with the changing environment; otherwise the environment factors overwhelm the activities.

The view that non-profit organizations merely adapt to their environment or attempt to muddle through is not supported by this study (see also Segev, 1981). I mentioned that the NBC monitors its changing environment carefully (even though the NBC director feels it is not fast enough) and, from time to time, tries to initiate actions (like agency studies) to better adapt to the changing context. These initiated activities sustain the NBC in its domain.

The viability of the NBC will remain intact if the organization is skillful enough to develop (that is, bring some new ideas such as the planning mode into the process); this will diminish the pressures on the NBC from the outside.

However, this strategy can be a double-edge sword; actors (such as the federations) within the NBC's environment are likely to try and take advantage of the changing environment to increase their influence over the process, which would risk the survival of process itself. From an unstable environment on one hand, to incremental strategy on the other, stems a very political process that gives rival forces the opportunity to play a role in the decision-making process.

Since the NBC has no constituency, but responsibility without authority, it will need a lot of political skill to manuever itself among the different forces, without losing ground and legitimacy thereafter.

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