

# Sustainability of Non-Profit Organizations: A Systematic Review

Nur Hayati Ab Samad<sup>1</sup>, Noor Hazlina Ahmad<sup>2</sup> & Khadijah Suria<sup>1</sup>

<sup>1</sup> Faculty of Accountancy, Universiti Teknologi MARA, Cawangan Selangor, Kampus Puncak Alam, Selangor, Malaysia

<sup>2</sup> School of Management, Universiti Sains Malaysia, Pulau Pinang, Malaysia

Correspondence: Nur Hayati Ab Samad, Faculty of Accountancy, Universiti Teknologi MARA, Cawangan Selangor, Kampus Puncak Alam, Selangor, Malaysia. E-mail: nurhayati321@uitm.edu.my

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## Abstract

This study aims to present the state of the academic literature on the sustainability of non-profit organizations (NPOs) and how previous researchers have approached NPO sustainability. The review has resulted in the final 30 articles for review and analysis. The research characteristics of the articles are identified by examining the publication outlet. It is observed that research in the 1990s on NPO sustainability is scarce, with a focus on understanding and identifying models of sustainability. Research in the first decade of the 21st Century has focused on the financial and non-financial approaches to address the sustainability of NPO. Meanwhile, research in the 21st Century's second decade acknowledged the need to integrate the diverse perspective of NPO sustainability into a comprehensive framework. This study found various approaches that influence NPO sustainability: financial or economic approach; organizational characteristics and strategy; capacity building; partnership or collaboration; and value-based perspective. Theoretically, this study provides an overall view of how academic researchers have attempted to address NPOs' sustainability. In terms of practical contribution, this study serves as a guide for the NPOs and relevant regulators on how to address the organization's sustainability from various perspectives. We further set out suggestions for future research as well as the limitations and contributions of this study.

**Keywords:** financial, Non-profit organization, sustainability, sustainable development, systematic review

## 1. Introduction

The notions of sustainability and sustainable development have emerged over the past few decades due to their increasing impact on the world. This scenario could be observed through the sustainable development concept, defined as meeting "the needs of the present without compromising the ability of future generations to meet their needs" (Report of the World Commission on Environment and Development: Our Common Future, 1987). The United Nations further demonstrate its commitment towards sustainability through efforts such as Agenda 21, the Millennium Development Goals (MDG) (Hutchins & Sutherland, 2008), and currently, the implementation of the Sustainable Development Goals 2030 (SDG 2030).

In an effort to accomplish SDG 2030, the third sector plays significant roles through contributions to social service delivery and other aspects of sustainable development (UNDP, 2019). In developing countries, the third sector organizations play significant roles in fulfilling the needs of the society that is unfulfilled by the public and private sectors (Clear et al., 2018; Hamukwala et al., 2008; McDonald et al., 2015; Omar et al., 2016; Weerawardena et al., 2010). The third sector refers to the economic segment, neither the public nor private sector. They can be referred to as voluntary organizations, non-profit organizations (NPOs), community-based organizations and charities (Bach-Mortensen & Montgomery, 2018). However, confusion arises in the third sector due to inconsistent terms and definitions and unclear organization goals (Clear et al., 2018; Shapiro et al., 2018).

Among the terms researchers and practitioners use to refer to organizations that deliver social services, albeit not limited to these, are the third sector organization, NPOs, and non-governmental organizations (NGOs). It can be observed that the varied terms used can be considered synonymous due to common features of the organizations, such as them being a separate entity from the government, social objectives as their main goals and their involvement in voluntary works (Gajdová & Majdúchová, 2018). These different terms indicate not only a fragmentation of research on similar types of actors but also very different assumptions about the role of these actors (Lecy et al., 2012). Henceforth, the term NPOs will be used interchangeably with terms such as third-sector organizations and

NGOs in this study. Besides, it can be observed that the three core non-profit journals- Non-profit and Voluntary Sector Quarterly, Non-profit Management and Leadership, and *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, have also used the term non-profit (Lu et al., 2019).

NPOs are defined as societies, associations, charities, and other voluntary organizations that are formed to resolve social issues (Arshad et al., 2018; Ceptureanu et al., 2018) and to contribute to society through their social value creation (Michalski et al., 2018; Omar et al., 2016; Weerawardena et al., 2010). Social values denote outcomes that address unfavorable situations to improve the beneficiaries' living standards (Omar et al., 2016) and are produced by meeting social goals (Paulo, 2017). Recognizing the significant roles that NPOs play, it is important to ensure that NPOs are sustainable. Before we proceed with further discussion, it is worthwhile to highlight how previous researchers have defined sustainability.

In general, the integral concept of sustainability refers to meeting the needs of the present and future generations. This is achieved through the interrelationship among society, environment, and economy (Hutchins & Sutherland, 2008; Moldavanova & Goerdel, 2017). From a theoretical perspective, sustainability in the non-profit sector indicates that NPOs will fulfil significant societal needs, thus allowing the government and business sectors to pursue their commitments towards society without restrictions (Ceptureanu et al., 2017). Specifically, NPO sustainability refers to the ability to continuously fulfil its mission and satisfy the key stakeholders' requirements (Ceptureanu et al., 2017, 2018; Ceptureanu & Ceptureanu, 2019; Mourao & Enes, 2017; Rosenberg et al., 2008; Svidronova, 2013). Due to the significant role played by NPOs in delivering social services to address unresolved social issues, research on the non-profit sector has also gained increasing attention (Kareithi & Lund, 2012; Paulo, 2017).

Given the extensive research on NPOs taking place throughout previous years, a comprehensive, interdisciplinary review is significant to obtain an accurate picture of the current state of the literature (Lecy et al., 2012). In terms of systematic review, previous researchers focused on the organization's performance from diverse perspectives, such as factors influencing NGOs' performance (Kareithi & Lund, 2012), factors supporting and preventing evaluation by third-sector organizations (Bach-Mortensen & Montgomery, 2018), research and application of Performance Measurement System (PMS) in NPOs (Moura et al., 2015) as well as performance and impact measurement of the organization (Harlock, 2013; Lee & Nowell, 2015; Schoenberg et al., 2016). Besides, past systematic review has also discussed the NPO's effectiveness (Lecy et al., 2012; Wellens & Jegers, 2013), NPOs success and failure (Helmig et al., 2014), third sector partnership (Rees et al., 2012), non-profit organizational collaboration (Gazley & Guo, 2015) and the strategy of NPOs (Laurett & Ferreira, 2018).

Thus, as observed, a previous and current systematic review on the sustainability of NPOs is scarce. While the sustainability of for-profit businesses has been a primary focus of researchers over the last few decades, research on sustainability for NPOs is limited despite the increased specific susceptibilities of this sector (Ceptureanu et al., 2017). Addressing this research gap, this systematic review aims to analyze the state of the literature on NPOs' sustainability. Since research on the sustainability of NPO is more concerned with understanding organizations and management processes, thus a research synthesis is more appropriate than a meta-analysis (Tranfield et al., 2003). As a systematic review for management research aims to develop research questions and informed empirical research practices (Tranfield et al., 2003), this study is guided by the general question:

"What is the state of the academic literature on NPO sustainability, and how have previous researchers approached NPO sustainability?"

Observing the continuous coronavirus (COVID-19) scenario and economic uncertainty, NPOs must prioritize utilizing their limited resources for the right strategies and capabilities development. Hence, NPOs and relevant stakeholders must know the available approaches to pursue NPOs' sustainability. Proper development and improvement of specific strategies will ultimately benefit NPOs in strengthening their management and operation. This paper first discussed the methodology applied in the research, such as selecting and excluding articles from the database search. Next, we discussed the results of the systematic review in terms of the research characteristics of the articles by examining the publication outlet. The trend of research on NPO sustainability throughout the years is also being discussed to investigate various approaches to NPO sustainability. Finally, we set out to discuss suggestions for future research as well as the limitations and contributions of this study.

## **2. Systematic Review Methodology**

This study utilized the secondary data from the Web of Science Core Collection (ISI Web of Knowledge). Other researchers have already recommended and applied this source in conducting systematic review studies (Alegre et al., 2018; Alegre & Moleskis, 2019; Di Lauro et al., 2019; Laurett & Ferreira, 2018). A systematic search started with

identifying keywords and search terms that were most appropriate for the study to ensure that reviews were performed based on the best-quality evidence (Tranfield et al., 2003). The first search term used was sustain\*. Following the systematic review that was done by previous researchers who used the NPO context, the second search term used was non-profit, NGO, non-governmental, non-governmental, not-for-profit, third sector and NPO (Laurett & Ferreira, 2018; Maier et al., 2016). The search was carried out on the 5th. December 2019 by applying the search term as mentioned in the above title, abstract, and/ or keywords (Alegre et al., 2018) and without limitation in terms of time periods (Alegre et al., 2018; Di Lauro et al., 2019; Laurett & Ferreira, 2018).

The criteria for the search that included or excluded articles from the database were as follows: inclusion- articles and reviews; exclusion- proceedings, book reviews, editorials and articles in a language other than English, as adapted from Laurett and Ferreira (2018). Through the advanced search and by applying the search terms as well as the inclusion and exclusion criteria, the results produced 4,261 articles, as shown in Table 1. Subsequently, the exclusion process was further conducted to remove repeated articles that resulted from various applied search combinations. A total of 525 articles were eliminated, thus resulting in the remaining 3,736 articles. Next, the remaining articles were analyzed according to the title, abstract or summary. This process resulted in the exclusion of 3,664 articles as they were irrelevant to NPOs' sustainability.

The remaining 72 articles were fully analyzed through a full reading, which resulted in the elimination of 42 articles. As a result, the finalized 30 articles were left for further data analysis as they specifically discussed NPOs' sustainability from various perspectives. The process of article selection and exclusion is summarized in Figure 1.

Table 1. Web of Science Core Collection Research Process

No	Web of Science			
	First Term Searched For	and	Second Term Searched For	
1	Sustain*	and	Non-profit	612
3	Sustain*	and	Non-Profit	496
4	Sustain*	and	NGO	812
6	Sustain*	and	Non-Governmental	1387
7	Sustain*	and	Nongovernmental	522
8	Sustain*	and	Not-For-Profit	232
9	Sustain*	and	Third Sector	147
10	Sustain*	and	NPO	53
Total of Articles			4,261	

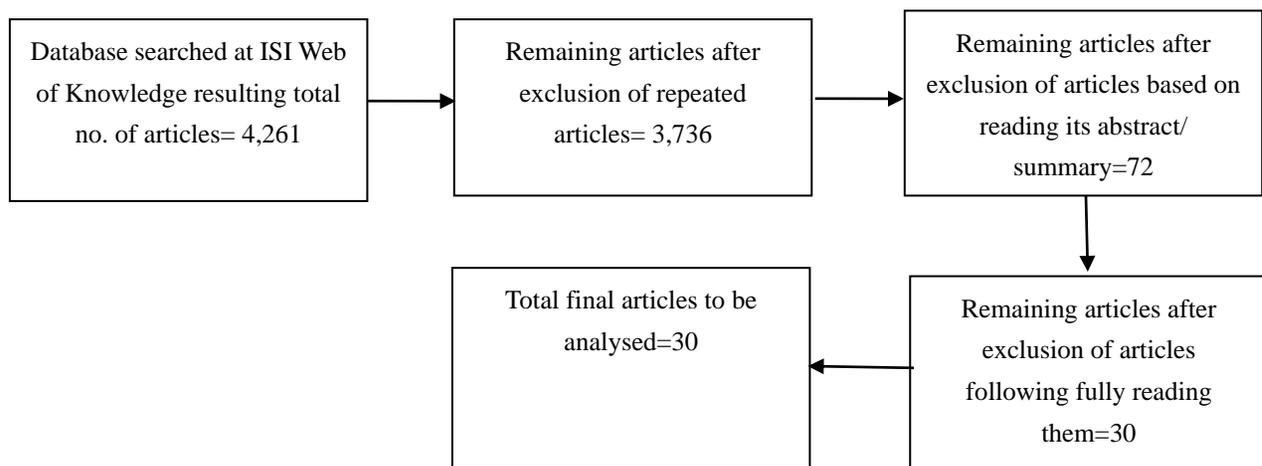


Figure 1. Process of article selection and exclusion

### 3. Results and Discussion

#### 3.1 Research Characteristics

As summarized from the database search, in contrast with findings from Laurett and Ferreira (2018), the term "non-governmental" is the most commonly used with regard to sustainability as compared to the term "non-profit". This result is not surprising as the term NGOs is also closely related to sustainable development promoted by the United Nations. However, consistent with the current term mostly used by the researchers in the non-profit sector, we used the term NPOs since the term non-governmental and non-profit has very slight differences. The summary of published articles by decade is shown in Tables 2, 3, and 4.

Table 2. Summary of the 1990s published research articles

No	Author(s)	Journal	Country of Research	Methodology	Research Areas
1	Herzlinger (1994)	Harvard Business Review	USA	Theoretical	Business economics
2	Aldaba et al. (2000)	Third World Quarterly	Peru, Costa Rica and Philippines	Theoretical	Development studies

Table 3. Summary of First Decade of the 21<sup>st</sup> Century published research articles

No	Author(s)	Journal	Country of Research	Methodology	Research Areas
1	Devine (2003)	Annals of the American Academy of Political and Social Science	Bangladesh	Qualitative	Social Sciences Other Topics, Government Law
2	Sarriot, Winch, Ryan, Bowie, Swedberg, et al. (2004)	International Journal of Health Planning and Management	USA	Mixed	Public Occupational Health, Environmental Health, Health Care Services
3	Rosenberg et al. (2008)	Evaluation and Program Planning	Southern Africa	Qualitative	Social Sciences Other Topics
4	Hamukwala et al. (2008)	Journal of African Business	Sub-Saharan Africa	Quantitative	Business Economics
5	Weerawardena et al. (2010)	Journal of World Business	Australia	Qualitative	Business Economics

Table 4. Summary of Second Decade of the 21<sup>st</sup> Century published research articles

No	Author(s)	Journal	Country of Research	Methodology	Research Areas
1	Bowman (2011)	Nonprofit Management and Leadership	USA	Quantitative	Business Economics, Public Administration
2	Besel et al. (2011)	Nonprofit Management and Leadership	USA	Mixed	Business Economics, Public Administration
3	Yang et al. (2011)	Journal of Asian Public Policy	Unspecified	Qualitative	Area Studies
4	Okorley & Nkrumah (2012)	International Journal of Social Economics	Ghana	Mixed	Business Economics
5	Hung & Ong (2012)	Nonprofit and Voluntary Sector Quarterly	USA	Quantitative	Social Issues

6	Nyandeni & Ross (2012)	Social Work (South Africa)	South Africa	Qualitative	Social Work
7	Bingham & Walters (2013)	Voluntas	England	Mixed	Social Issues
8	Svidronova (2013)	E & M Ekonomie a Management	Slovakia	Quantitative	Business Economics
9	MacIntosh (2013)	Dalhousie Journal of Interdisciplinary Management	Canada	Theoretical	Business Economics
10	Epperly & Lee (2013)	VOLUNTAS	Eastern Europe and the former Soviet Union	Quantitative	Social Issues
11	Moldavanova (2014)	American Review of Public Administration	USA	Qualitative	Public Administration
12	Valentinov et al. (2015)	Sustainability	Czech Republic	Mixed	Environmental Sciences Ecology, Science Technology Other Topics
13	McDonald et al. (2015)	Management Research Review	Unspecified	Theoretical	Business Economics
14	Ceptureanu et al. (2017)	Sustainability	Romania	Quantitative	Environmental Sciences Ecology, Science Technology Other Topics
15	Lee (2017)	Nonprofit Management and Leadership	USA	Mixed	Business Economics, Public Administration
16	Lau et al. (2017)	AIDS Care	People of Republic China	Quantitative	Public Environmental Occupational Health, Biomedical Social Sciences, Health Care Sciences Services, Psychology, Respiratory System
17	Mourao & Enes (2017)	Social Indicators Research	Portugal	Quantitative	Social Sciences Other Topics, Sociology
18	Moldavanova & Goerdel (2017)	Public Management Review	USA	Theoretical	Business Economics, Public Administration
19	Ceptureanu et al. (2018)	Sustainability	Romania	Mixed	Environmental Sciences Ecology, Science Technology Other Topics
20	Gajdová & Majdúchová (2018)	Contemporary Economics	Slovakia	Quantitative	Business Economics
21	Jensen (2018)	Critical Sociology	USA	Qualitative	Sociology
22	Ceptureanu & Ceptureanu (2019)	International Journal of Environmental Research and Public Health	Romania	Mixed	Environmental Sciences Ecology, Public Environmental Occupational Health
23	Paredes et al. (2019)	Sustainability	Unspecified	Mixed	Environmental Sciences Ecology, Science Technology Other Topics

As observed, most of the research articles were published in the Journal of Sustainability and Nonprofit Management Leadership. In terms of the country of research, most researchers chose the research context of a Western country with a heavy focus on research in the USA. While most developed countries were selected as the context of the study, the researchers have also conducted research in countries that require humanitarian aid, such as Ghana, Bangladesh and South Africa. These countries have been among the strategic location for NPOs to deliver social services. A limited study was conducted in Asia countries, namely Bangladesh, China and the Philippines.

In connection with research areas that the Web of Science had classified, most of the published research articles were in Business Economic, followed by Environmental Sciences Ecology and Public Administration. In terms of research methodology, as observed in Figure 2, most researchers opted for the quantitative and mixed methods for their study. In the early 1990s and the first decade of the 21st Century, theoretical and qualitative research papers dominated the research in NPO sustainability. This is because earlier literature reviews focused on research evidence, argument and implication of policy and practice development (Harlock, 2013; Macmillan, 2010).

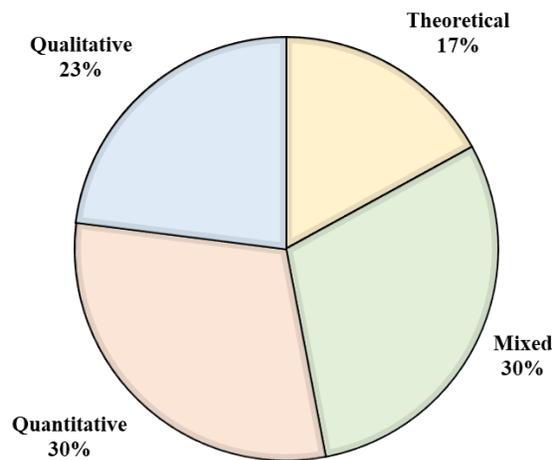


Figure 2. Summary of methodology on the published research articles

### 3.2 Analysis of the Studies by Decade

Next, an analysis of the studies by decade has been performed to observe the trend of the research in NPOs sustainability.

#### 3.2.1 Analysis of the 1990s (1994-2000)

As observed through the literature from 1994 to 2000, limited research was conducted to address NPO sustainability. Herzlinger (1994) was among the pioneer researchers who discussed NPO sustainability through a study on matching sources with funds and organizational goals. Her research has offered a framework to help board members provide critical oversight on NPOs' needs to remain sustained. Later, Aldaba et al. (2000) stressed that NGOs need to develop skills that promote partnership and collaboration with the private and public sectors to show their worth to these relevant stakeholders.

Through their research, evidence suggested that NGOs are more likely to sustain themselves if they look beyond finance to adopt an integrated, capacity-based approach to sustainability and an internal organizational reform as well as put effort into making good their 'relational deficit' with a wider array of domestic constituencies. In summary, it can be concluded that research in the 1990s on NPO sustainability is scarce, focusing on understanding and identifying sustainability models to make the concept relevant.

#### 3.2.2 Analysis of the First Decade of the 21st Century (2001-2010)

As the literature on NPO sustainability keeps growing, the consideration of financial sustainability has gained the attention of many researchers. Regardless of the various approaches to sustainability, financial perspectives were perceived as crucial to tackling NPO sustainability. In response, research by Weerawardena et al. (2010) suggested that revenue-enhancing and cost-reduction strategies could create greater operational efficiency, leading to sustainability. In later years, while Devine (2003) argued that the dominance of a view on sustainability focused predominantly on financial considerations, other researchers attempted to approach NPO sustainability through

integrated perspectives, including non-financial standpoints. Subsequently, aligned with evidence from previous research in the 1990s, the organization's capacity was perceived as essential to achieving sustainability (Aldaba et al., 2000; Sarriot et al., 2004).

Besides, it is observed that previous researchers have also looked into sustainability as activities or programs at the project level (Hamukwala et al., 2008; Rosenberg et al., 2008; Sarriot et al., 2004), as it represents institutionalization within an organization (Rosenberg et al., 2008). This is further supported by Hamukwala et al. (2008), who highlighted that project managers perceived increased beneficiary participation in project activities with higher probabilities of project sustainability. These findings suggested that the approach to evaluating NPO sustainability will also be viewed from the needs of the beneficiaries instead of focusing on the program or organization itself (Devine, 2003; Sarriot et al., 2004).

In addition, the research by Weerawardena et al. (2010) has also highlighted that the need for sustainability has led NPOs to adopt a strategic orientation through greater operational efficiency and value-creating strategies. Value-creating strategies can be achieved by redefining the mission, adopting best practices within the industry, investing in high-impact projects, and collaborating with the NPOs to extend their scope for social value creation (Weerawardena et al., 2010). Regarding collaboration, the research conducted by Rosenberg et al. (2008) contributed evidence on the importance of the government's partnership for sustainability.

In summary, it can be observed that research in the first decade of the 21st Century has focused on financial and non-financial approaches to address NPO sustainability. This finding indicates that researchers realized that NPOs' sustainability could be influenced and observed from various perspectives.

### 3.2.3 Analysis of the Second Decade of the 21st Century (2011-2019)

It can be observed that research on NPO sustainability in this decade has gained a lot of attention from researchers. One reason that can justify this trend is the implementation of MDG and SDG goals that emphasize sustainable development. Among the frequently discussed topics concerning the non-profit sector is how NPOs achieve financial stability and sustainability as it is one of the basic conditions of the total sustainability of the organization (Gajdová & Majdúchová, 2018; Moldavanova & Goerdel, 2017). Thus, over time, research concerning financial sustainability is still relevant and has remained one of the researchers' areas of interest.

From the financial perspective, short-term sustainability can be measured in terms of annual surpluses, while long-term sustainability can be measured by asset growth, which must stay ahead of the long-run rate of inflation (Bowman, 2011). Besides, Yang et al. (2011) have highlighted that NPOs need to implement the practice of self-reliance or self-financing to remain sustainable. This is because an overreliance on government revenue can jeopardize the NPOs' strategy in service delivery, such as loss of autonomy, mission distortion and increased bureaucracy (Besel et al., 2011). Hence, self-financing through diversification of financial sources is appropriate to achieve financial equilibrium that leads to the long-term sustainability of NPOs (Svidronova, 2013). McDonald et al. (2015) have also emphasized the strategies for achieving financial sustainability: revenue-enhancing strategies, fees for service, commercial venture, sponsorship, contract fees and membership.

In later years, research by Gajdová and Majdúchová (2018) found that the most important criteria for the sustainability of NPOs are solid financial planning, maintaining stable and long-term relations with donors, and joint diversification of sources and financial transparency. In summary, these criteria focus on the measurement of performance and capacity. They further highlighted that short and long-term financial sustainability issues could be resolved by creating clear strategic plans. A clear strategic plan defines the society's mission and integrates the impact of interest groups with organizations' missions. Nevertheless, it is noted that NPOs face challenges in formulating self-reliance strategies for strengthening their social influence while simultaneously maintaining the principle of 'non-profit making' (Yang et al., 2011).

In addition, Paredes et al. (2019) have recently emphasized that an organization that is sustainable in the long term but unable to maintain short-term stability will be chronically short of cash. The other way around may cause a sacrifice in the quantity and quality of service delivery. They further stressed that financial sustainability should not be an isolated topic in the quest for new income sources. In parallel with various approaches to address NPO sustainability, the social mission of NPOs has gained a strategic focus as various scholars argued that there is a broader agreement in terms of the ultimate objective of non-profits that is to increase social value (Ceptureanu et al., 2017). This understanding is consistent with the argument by Jensen (2018) that states that any conversation about non-profit sustainability should start first with a mission, not fiscal responsibility.

Aligning with the value-creating strategies proposed by Weerawardena et al. (2010), McDonald et al. (2015) further

suggested strategies to achieve mission-based sustainability through redefining the mission, branding, service efficacy, networking, strategic renewal and merger. Consistent with the social value approach that aims to fulfil various stakeholders' needs, Mourao and Enes (2017) later evaluated the triangular sustainability (institutional sustainability, agent's sustainability and financial sustainability) of NPOs, with emphasis on the study of economies of scale. They concluded that the existence of NPOs was to improve the well-being of their users, who often was a common element with the complementary organizations (first dimension) and the key agents for maintaining or changing the focus of the institution (second dimension of sustainability), as well as the major source of revenue for the NPO (third dimension of the triangle of sustainability).

Next, consistent with the study by Bingham and Walters (2013), which found that the impact of a reduction in funding would lead to a scale back of community activities, their study also stressed that costs reduce the profits of an organization and, therefore, can compromise its sustainability. In terms of human capacity, the three most critical factors that can influence the survival of NGOs are managerial leadership, technical competence and staff motivation (Okorley & Nkrumah, 2012). Specifically, board members and senior managers play the roles in ensuring financial sustainability through philanthropic endeavors such as soliciting donations from local residents (Besel et al., 2011) because they are the key decision-makers of the organization (Weerawardena et al., 2010).

This is supported by a study by Nyandeni and Ross (2012) that has further highlighted that factors contributing to the sustainability of the organization during the reduction in financial donations are: soliciting donations and harnessing community support; enlisting financial contributions from family members; providing pro bono services; adapting to difficult financial times; showing appreciation to community members and volunteers; and ensuring compliance with funding requirements of the funder (Nyandeni & Ross, 2012). Moldavanova (2014) has also stressed that the key to organizations' long-term sustainability is the managers' ability to act sustainably by making wise and incremental decisions. Okorley and Nkrumah (2012) have further highlighted that the availability of funds, quality material resources, supportive leadership, development of needs-based and demand-driven programs, and effective management can significantly influence the sustainability of NGOs. Thus, it can be concluded that supportive leadership and adequate funding are among the important determinants of NGO sustainability. However, it is imperative to note that corruption is more likely to degrade the NGOs' sustainability than other aspects, such as organizational capacity (Epperly & Lee, 2013).

In addition, Woods Bowman (2011) has emphasized that short-term resilience is a precondition for long-term success. This is supported by Moldavanova (2014), that emphasized institutional resilience and distinctiveness can lead to the formation of institutional capital, which helps to formalize organizations to survive and sustain. In this context, institutional resilience refers to the capacity that incorporates a system's ability to persist despite disruptions and regenerate and maintain existing organizations. Meanwhile, institutional distinctiveness implies that organizations identify unique institutional niches and focus on occupying those niches and staying true to their missions (Moldavanova, 2014).

Besides, organizational characteristics in terms of age and size were also found as central determinants of non-profit sustainability. Research done by Hung and Ong (2012) showed that the youngest and the smallest organizations with minimal revenue are the least likely to remain active, while older organizations are more likely to be sustainable than newer ones. In addition, looking from the economic perspective, the demand-side theories denote the problems of society, while the supply-side theories refer to the organizational challenges that are invisible from the societal perspective (Valentinov et al., 2015). This is because building the sustainability of the NGOs has many dimensions, including internal and external factors. Internal or organization factors are within the control of the organization, such as the capacity of the organization, while the external factors are beyond the control of NPOs, such as securing resources and support from the external and legislative environment (Ceptureanu et al., 2018; Okorley & Nkrumah, 2012; Svidronova, 2013). Thus, taking a due account of NPOs sustainability requires adopting an organization theory perspective that could interrelate organizational mission with actual organizational behavior (Valentinov et al., 2015).

Consistent with a previous study by Aldaba et al. (2000) that emphasized the NPOs' need to gain confidence from other stakeholders, it was observed that as time went by, NPOs started to involve cross-sector collaboration with the relevant stakeholders to achieve organizational sustainability. Thus, building trust and communication is vital to collaboration success (MacIntosh, 2013). Corresponding with the resource dependence theory (RDT), MacIntosh (2013) further emphasized that an organization with insufficient resources tended to collaborate at an informal level to share resources and reduce its operational costs while maintaining its independence. Drawing on RDT, Bingham and Walters (2013) also contemplated the potential for NPOs to develop CSR partnerships with for-profit organizations to improve financial sustainability. This is because collaboration provides advantages for NPOs by

breaking down organizational barriers, which allows for creative thinking, and improves service delivery systems for the benefit of the organization, society and the relevant stakeholders, ultimately resulting in long-term sustainability (MacIntosh, 2013). Hence, consistent with previous research, it is apparent that strategic partnerships or collaboration are a central key to achieving sustainability (Paredes et al., 2019).

In addition, Ceptureanu et al. (2017) also developed a model based on a literature survey and Romanian experts' interviews to identify relevant factors for Romanian non-profit sustainability. Through this study, NPOs' sustainability was considered in terms of three determinants- cognitive competence, social awareness and financial vulnerability, and the two results, namely economic and social results. In later years, using a multidimensional sustainability measurement framework, the Success Factor Analysis, as a conceptual model, Ceptureanu and his team measured perceptions on five critical sustainability factors: people, business model, operations, strategy and culture. They concluded that there were significant differences in the perceptions of sustainability depending on the respondents' previous failure experiences (Ceptureanu et al., 2018).

Besides, the sustainability of community-based programs is important for the host organization since it may also affect its sustainability (Ceptureanu & Ceptureanu, 2019). This finding is consistent with the research by Besel et al. (2011), which demonstrated that greater levels of community-based philanthropy are needed for NPOs to achieve financial sustainability. Other researchers also play a role in contributing to the literature on NPOs' sustainability. Lau et al. (2017) have identified associated factors of governance and sustainability issues in their study. Factors of perceived low sustainability have included limited resources, inadequate management skills, and lack of policy, technical, and operational support (Lau et al., 2017).

Looking from other perspectives, Lee (2017) operationalized the concept of sustainability as age, which can demonstrate an organization's capacity to sustain its operation. His study suggested that organizational revenue was a significant determinant of the age of organizations, whereas neighborhood income level did not have a significant impact. Yet, this study has also provided evidence for the claim that small organizations may experience a quick turnover in high-poverty neighborhoods (Lee, 2017). The study by Moldavanova and Goerdel (2017) that investigated the relationship between the social connectedness of organizations and their sustainability concluded that, following RDT and strategic management literature, organizational social capital improved the organizational resource base and capitalized on the stakeholder relations. They further stated that organizations that were capable of developing social capital could utilize it as a critical resource in dealing with resource constraints and external pressures (Moldavanova & Goerdel, 2017).

In summary, the increased attention in research on NPO sustainability has opened the avenue for researchers to approach NPO sustainability from a diverse and wide perspective. The researchers also acknowledged the need to integrate the diverse perspectives of NPO sustainability into a comprehensive framework.

### *3.3 Approaches to Address NPO Sustainability*

Based on the previous literature, various approaches to NPO sustainability are summarized in Table 5. Among the prevalent approaches that influence NPO sustainability are financial or economic approach, organizational characteristics and strategy, capacity building, partnership or collaboration and value-based perspective. It is worth highlighting that limited studies view NPO sustainability from a value-based perspective. In addition, limited studies attempt to integrate various approaches to NPO sustainability in a single framework or study, thus highlighting the fragmentation of multiple approaches from the previous studies.

Table 5. Summary of the Various Approaches to NPO Sustainability

No	Author(s)	Approaches to Address Sustainability of NPOs				
		Financial/ Economic	Capacity Building	Partnership/ Collaboration	Value-based	Organisational Characteristics and Strategy
1	Herzlinger (1994)	√				
2	Aldaba et al. (2000)		√			
3	Devine (2003)					√
4	Sarriot et al. (2004)	√	√			√
5	Rosenberg et al. (2008)			√		
6	Hamukwala et al. (2008)			√		
7	Weerawardena et al. (2010)	√			√	√
8	Bowman (2011)	√				
9	Besel et al. (2011)	√				√
10	Yang et al. (2011)	√		√		√
11	Okorley & Nkrumah (2012)		√			
12	Hung & Ong (2012)					√
13	Nyandeni & Ross (2012)		√			√
14	Bingham & Walters (2013)	√		√		
15	Svidronova (2013)	√	√			√
16	MacIntosh (2013)			√		
17	Epperly & Lee (2013)					√
18	Moldavanova (2014)	√				
19	Valentinov et al. (2015)	√				
20	McDonald et al. (2015)	√		√	√	√
21	Ceptureanu et al. (2017)	√	√			√
22	Lee (2017)					√
23	Lau et al. (2017)		√			
24	Mourao & Enes (2017)	√				
25	Moldavanova & Goerdel (2017)			√		√
26	Ceptureanu et al. (2018)	√	√			√
27	Gajdová & Majdúchová (2018)	√				
28	Jensen (2018)					
29	Ceptureanu & Ceptureanu (2019)					√
30	Paredes et al. (2019)	√		√		
	Total	16	8	8	2	15

#### 4. Conclusion

Observing the past trend, most of the researchers were in consensus that the sustainability concept is beyond financial considerations. It is multidimensional and includes more integrated and wide perspectives, depending on the study context. However, based on this review, it is observed that the effort to integrate and provide a comprehensive approach to evaluate the NPOs' sustainability is still limited. Thus, future research may address this limitation by consolidating various approaches into a framework applicable to NPOs.

In addition, this review revealed that the effectiveness of the proposed measurement and model for NPOs

sustainability is still in its infancy. Although some scholars have proposed measurements and models to evaluate NPOs' sustainability, the question of how reliable and effective the proposed measurements and model are still open and call for increased research. Hence, more study is required to verify the validity of sustainability conceptualizations and models since sustainability determinants or variables may vary considerably among the NPOs.

Besides, it can be observed that limited study has been done on NPO sustainability within the context of developing countries, especially in ASEAN countries. Thus, future researchers can focus specifically on NPOs in developing countries as they may need a different approach to respond to current challenges to maintain sustainability compared to developed countries. For example, NPOs in developing countries may need to consider a specific approach to tackle resource issue constraints to ensure organizational sustainability. Notably, the current spread of the COVID-19, which started in December 2019, has resulted in various impacts worldwide, including towards NPOs. While their roles have become more significant, especially in serving those affected by the pandemic, NPOs also face the threat of remaining sustainable due to unstable economic conditions. Thus, approaches to NPO sustainability might vary during the pandemic. Hence, future researchers can extend this study to integrate the effect of the COVID-19 pandemic.

Concerning the limitations of the study, it utilized only one database- the Web of Science- for collecting the research sample. Thus, future research may attempt to utilize and cross-reference with other databases. Next, in terms of selection for search terms, there is the probability that other relevant keywords have been omitted from this study. This is because there are wide and various terms that researchers have used to refer to an organization that has the same nature as the NPOs. Since search filters were applied to only articles and reviews with English publications, other relevant published materials, such as books and dissertations, fell beyond the scope of this review. In terms of time limitation, this study focused on literature until the Second Decade of the 21st Century. Despite the apparent limitations of the study, this study provides theoretical and practical contributions.

It is essential to highlight that research in non-profit organizations has been dominated by non-profit specialist organizations, consultancies, practice networks, and various third-sector funding bodies (Harlock, 2013). As a result, there is an extensive field of literature on the sustainability of NPOs comprising reports, reviews and evaluations of NPOs, as well as good practice guidance and toolkit. Debatably, they were not initially generated from pure academic research but were derived more from a practitioner basis. Thus, by observing the state of the literature on NPO sustainability, this study provides an overall view of what past academic researchers have attempted to address. Furthermore, as per our knowledge, there is a limited systematic review of NPOs' sustainability. Thus, in terms of theoretical contribution, this study lays the groundwork for future research in analyzing further NPO sustainability from an academic perspective.

In terms of practical contribution, this study provides knowledge on various approaches that influence NPOs' sustainability, which could benefit NPOs, grant providers, and potential donors by better comprehending the capability of NPOs to remain sustained. This study's findings help NPOs develop more targeted and effective strategies that enhance NPOs' sustainability, which covers beyond financial approaches. Instead of focusing on financial approaches, NPOs and relevant regulators shall focus on developing right capacity building and emphasize a value-based perspective. Value-creation becomes essential in delivering sustainable products and services that could benefit the beneficiaries as a whole. Besides, NPOs must consider partnership or collaboration within and across various sectors, such as the public and private sectors, to achieve synergy and tap into various resources to which NPOs have limited access.

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