

Addressing Resource Constraint Issues: Unpacking the Strategies for Sustainability of Nonprofit Organisations

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ABSTRACT

Nonprofit organisations (NPOs) play a significant role in social service delivery via deliverables of the organisational mission. However, NPOs operate with limited resources, which consequently trigger their unsustainability. The inability of NPOs to address resource constraint issues may adversely impact society because they play an important role in delivering social services and ensuring sustainable development. Hence, through semi-structured interviews, this study addressed how NPOs operating under limited resources ensure organisational sustainability. The findings indicated that NPOs implement entrepreneurial orientation (EO) and cross-sector collaboration to overcome resource constraints. Concurrently, organisational capacities (human resource capacity, board leadership capacity, infrastructure capacity, and planning and development capacity) are vital to ensure the sustainability of NPOs. Stakeholder engagement is predicted as a moderator between EO and NPOs sustainability. Organisational fit is postulated as a moderator between cross-sector collaboration and NPOs sustainability. The findings contribute to the literature on the sustainability of NPOs by proposing a conceptual framework on organisational factors influencing NPO sustainability. Based on the findings, NPOs and regulators can unpack the targeted strategies that enhance NPO sustainability.

Keywords: nonprofit organisation, resource constraint, sustainability

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INTRODUCTION

A nonprofit organisation (NPO) refers to an “organisation that primarily engages in raising or disbursing funds for charitable, religious, cultural, educational, social purposes, or the carrying out of other types of good work” (FATF, 2019, p.43). NPO plays a prominent role in realising Sustainable Development Goals (SDG) 2030 (United Nations, 2019). For example, Women of Will aims to transform and enhance disadvantaged women’s lives in Malaysia and their communities. The intervention is done through microcredit financing combined with an Entrepreneurial Development Programme. Their programmes support the SDG 2030 Goal 1 (No Poverty), Goal 5 (Gender Equality), Goal 8 (Decent Work And Economic Growth), Goal 10 (Reduced Inequalities) and Goal 11 (Sustainable Cities And Communities) (Women Of Will, 2020). Although NPOs have a significant role in impacting social, economic and environmental issues, they face challenges to remain sustainable due to resource constraints prevalent in the nonprofit sector (Ceptureanu, Ceptureanu, Orzan, & Marin, 2017; Gajdová & Majdúchová, 2018; McDonald, Weerawardena, Madhavaram, & Mort, 2015) two main donors for NPOs while simultaneously has amplified society’s problems and gave rise to new target groups requiring support. This led to an acute need to address sustainability at organizational level since existing sustainability models in the literature are hardly adequate for Romanian context. We developed a model based on literature survey and Romanian experts’ interviews, which allow us to identify relevant factors for Romanian non-profit sustainability. Three determinants were considered: Cognitive competence (nine items analyzed).

According to Ab Samad and Ahmad (2021), NPOs face challenges in terms of lack of funds, lack of trust, and lack of cooperation and support from stakeholders. This scenario is getting worse during the Coronavirus (COVID-19) Pandemic, whereby most NPOs have been hit hard due to decreased funding (CAF America, 2020; Linh & Anh, 2020). The inability to adapt to resource constraints may jeopardise the sustainability of NPOs. The unsustainable funding demands the need of NPOs to explore new strategies to ensure their long-term survival. Hence, NPOs need to better utilise their limited resources for initiatives that support organisational sustainability.

Since the ability of NPOs to accomplish roles related to sustainable development depends upon various organisational factors (Moldavanova & Wright, 2020), an issue that arises is how NPOs operating under limited resources ensure organisational sustainability. To address this issue, this study started by outlining the resource constraints faced by the NPOs. Next, past literature on approaches towards NPOs sustainability was discussed and gathered to understand the topic (Yin, 2016). The example of best practices of NPOs, sourced from information in the website and annual report of Top 100 NPOs On The Web by Top NPOs¹ such as Oregon Zoo Foundation, World Vision and Alzheimer's Association (TopNPOs, 2021) were used to supplement the discussion and findings.

Subsequently, guided by the literature review, a preliminary study via semi-structured interviews with NPOs in Malaysia was conducted to determine how NPOs manage the available resources to remain sustained. Most of the studies concerning NPOs sustainability were conducted in Western and developed countries, such as Moldavanova and Goerdel (2017) and Jensen (2018). The previous researches also focused on countries with a need for humanitarian aid, such as Ghana, Bangladesh and South Africa, which can be seen through the study of Nyandeni and Ross (2012) and Okorley and Nkrumah (2012). There is limited literature discussing the developing and ASEAN country context, thus justifying the need to conduct this study among NPOs in Malaysia.

The contribution of this study is twofold. First, this study contributes to the NPO sustainability literature by proposing a framework on the organisational factors that influence NPO sustainability, specifically under the resource constraint environment. Even though previous researchers have discussed various approaches to address the sustainability of NPOs (Ceptureanu, Ceptureanu, Bogdan, & Radulescu, 2018; Ceptureanu et al., 2017; Svidronova, 2013) two main donors for NPOs while simultaneously has amplified society's problems and gave rise to new target groups requiring support. This led to an acute need to address sustainability at organizational level since existing sustainability models in the literature are hardly adequate for Romanian context. We developed a model based on literature survey and Romanian experts' interviews, which allow us to identify relevant factors for Romanian non-profit sustainability. Three determinants were

¹ <https://topNPOs.com/lists/best-NPOs-on-the-web>

considered: Cognitive competence (nine items analyzed, there have been limited attempts to integrate these approaches in a single framework. Hence, this study addresses this limitation by offering a comprehensive framework incorporating various NPOs sustainability approaches in a single framework.

Entrepreneurial orientation (EO), cross-sector collaboration, and organisational capacities are identified as organisational factors that influence NPO's sustainability. Significantly, based on the findings from the semi-structured interview, this study postulated stakeholder engagement as a moderator between EO and NPOs sustainability. Meanwhile, the organisational fit was conjectured to interact with cross-sector collaboration to predict NPO sustainability. Understanding the organisational factors that influence NPOs sustainability can benefit NPOs and relevant regulators by equipping them with adequate strategies to ensure sustainability, especially under resource-constrained environments. When the sustainability of NPOs is achieved, they can offer continuous services to the affected and vulnerable community.

LITERATURE REVIEW

Resource Constraint Issue in Nonprofit Organisation

Resources are crucial for NPOs to continuously deliver social services (Michalski et al., 2018). Fundraising and financial donations, commercially generated income, relationship marketing, sector and cross-sector collaborations, volunteers, and in-kind contributions are among the resources available to NPOs (Casais & Santos, 2018; Ceptureanu et al., 2017). However, NPOs face resource constraints prevalent in the nonprofit sector (Ceptureanu et al., 2017; Claire, 2014; McDonald et al., 2015) due to the trust deficit by stakeholders (Centre for Asian Philanthropy and Society, 2018; Shapiro, Mirchandani, & Jang, 2018). The Doing Good Index 2020 highlighted that trust deficit remained a significant barrier to the increased of giving in charity (Centre for Asian Philanthropy and Society, 2020). These findings were further supported by interviews done by Shapiro et al. (2018), which highlighting the lack of trust as the number-one reason cited for the low degree of giving in Asian-based organisations.

Besides, the increasing number of NPOs to meet the increased need for social services has resulted in competition for limited resources (Aldaba, Antezana, Valderrama, & Fowler, 2000; Lacerda, Martens, & Freitas, 2019; Okorley & Nkrumah, 2012; Weerawardena, Salunke, Haigh, & Sullivan Mort, 2019). Topaloglu, McDonald, and Hunt (2018) emphasised that the competition in the nonprofit sector has increased due to the increasing number of NPOs, a decline in government support, and the emergence of a for-profit organisation that cater for the same need provided by traditional NPOs. Also, there is increasing volatility of support by donors (Ceptureanu et al., 2018) and growing competition for skilled volunteers and staff, and well-connected board members (Clear, Paull, & Holloway, 2018). The competition for funds may diminish the sustainability of NPOs (Ceptureanu et al., 2018).

The impact of the COVID-19 crisis has subsequently made the problem worse. Given the widespread economic impact of the Pandemic, dramatic declines in financial viability are anticipated, leading to a devastating effect on the sustainability of the nonprofit sector (USAID, 2020). Based on the report on “The Voice of Charities Facing COVID-19 Worldwide” by Charities Aid Foundation, 41% of the respondents expected their funding to decrease more than 21%, with several organisations forecasting alarming rates of declined funding as 50%, 70%, or even 100% expressing concerns about their immediate and mid-term survival (CAF America, 2020). In summary, the resource constraint issues prevalent in the nonprofit sector threaten the sustainability of NPOs (Ceptureanu et al., 2017; Claire, 2014; McDonald et al., 2015). The cut in funding indicates the decreasing social service delivery to the beneficiaries (Searing, Wiley, & Young, 2021).

Past Studies on Sustainability of NPOs

The fundamental idea of sustainability, in general, refers to meeting the needs of the present and future generations. Sustainability is achieved through the interrelationship between society, environment, and economy (Moldavanova & Goerdel, 2017). Sustainability in the nonprofit sector indicates that NPOs will fulfil significant societal needs, as well as allowing the government and business sectors to pursue their commitments towards a society without restrictions (Ceptureanu et al., 2017). In this study, the sustainability of NPOs relates to the continuous ability to fulfil their mission

and satisfy key stakeholders' requirements (Ceptureanu et al., 2018, 2017; Jensen, 2018; Svidronova, 2013).

Previous researchers have discussed sustainability from multiple perspectives due to the multidimensional activity of NPOs which cannot be captured by a single perspective (Ceptureanu et al., 2017). As highlighted by Sebastian Ion Ceptureanu et al. (2018, 2017), there was a wide variety of conceptualising NPOs sustainability perspectives, as summarised in Figure 1.

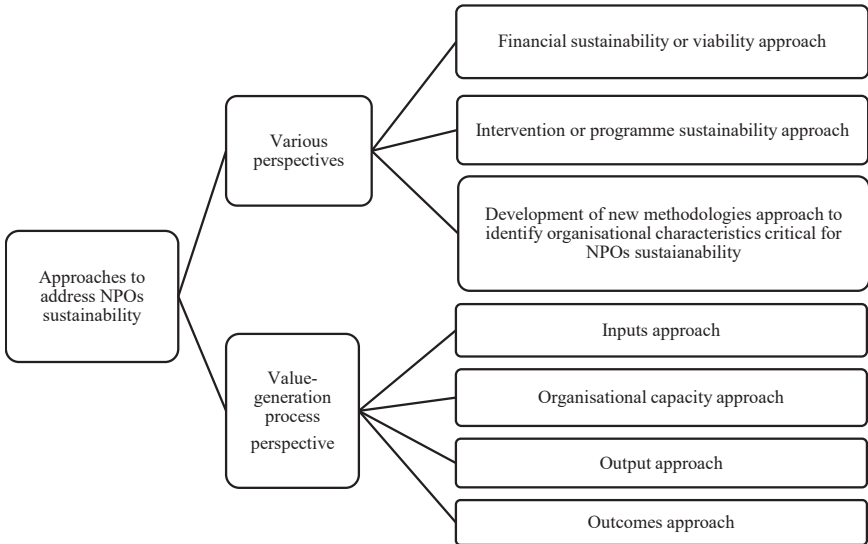


Figure 1: Approaches to Address NPOs Sustainability in the Literature

Source: Adapted from Sebastian Ion Ceptureanu et al. (2018, 2017)

Various Perspectives

The financial sustainability or viability approach is identified as one of the important criteria for the sustainability of NPOs. Among the frequently discussed topics concerning this sector is how NPOs achieve financial stability or sustainability. It is one of the basic conditions for an organisation's total sustainability (Gajdová & Majdúchová, 2018; Moldavanova & Goerdel, 2017). Self-financing through diversification of financial sources is appropriate for achieving financial equilibrium and remaining sustainable (Gajdová & Majdúchová, 2018). The practice

of entrepreneurship emerged as part of strategic action or behaviour implemented by NPOs to gain financial sustainability. This behaviour is identified as entrepreneurial orientation (EO), and it is seen as a “concept” or behaviour practised by NPOs (Baskaran, Tang, Thiruchelvam, Shahabudin, & Chan, 2019; Sinthupundaja, Kohda, & Chiadamrong, 2019).

Specifically, EO indicates the organisational behavioural orientation exhibited by NPOs in their strategic decisions and represents a behavioural tendency towards entrepreneurship (Dwivedi & Weerawardena, 2018). NPOs engage in EO to respond to funding challenges by searching for alternative sources of funding (Beaton, 2019). Most previous studies conceptualised innovative, proactiveness and risk-taking as the common features of entrepreneurship practice among NPOs (Lacerda et al., 2019; Svensson, Andersson, & Faulk, 2020). Innovativeness emphasises the accomplishment of the core mission and the generation of new sources of revenue (Lacerda et al., 2019). It reflects the fundamental ways by which organisations pursue new opportunities.

Proactivity involves perseverance, adaptability, and tolerance for the chance of failure. It requires a focused action in realising the implementation of the action (Lacerda et al., 2019). Based on the example of Top 100 NPOs on the Web, the Oregon Zoo Foundation highlighted explicitly on its website several ways for potential funders to contribute to the foundation. One of the initiatives is through the Oregon Zoo Foundation Wine Club, whereby 25% or more of all sales go directly to the Oregon Zoo Foundation to help support the conservation, education and animal welfare programmes at the Zoo (Oregon Zoo, 2021). This strategy indicates innovative and proactive ways of generating funding, which is closely related to EO.

While the dominance of a view on the sustainability of NPOs focused predominantly on financial considerations, researchers also argued that sustainability of NPOs should not be viewed only from financial or economic perspectives (Paredes et al., 2019). In terms of organisational strategy, cross-sector collaboration prevails as an important strategy to ensure sustainability (Aldaba et al., 2000). Rosenberg, Hartwig, and Merson (2008) stressed that the NPOs need to develop skills that promote partnership and collaboration with the government and the private sector to remain sustained. Corresponding with the resource dependence theory, MacIntosh (2013)

further emphasised that an organisation with insufficient resources tends to collaborate at an informal level to share resources and reduce its operational costs while maintaining its independence. Van Hille, De Bakker, Ferguson, and Groenewegen (2020) recognised the role of NPOs as mission-driven conveners that strategically organise cross-sector collaboration.

Concurrently, NPOs initiate cross-sector collaboration to realise their sustainability mission by pooling expertise and resources (Aigner & Pesqueira, 2020). Hence, consistent with the previous researchers' argument, cross-sector collaboration is one of the significant keys to the consecution of sustainability (Paredes et al., 2019). For example, to accomplish a vision of a world without Alzheimer's, the Alzheimer's Association collaborates with key government, industry and academic stakeholders. The International Alzheimer's Disease Research Portfolio (IADRP) is a collaborative project of the Alzheimer's Association, National Institutes of Health, and other organisations supporting Alzheimer's research. IADRP enables organisations to join the effort in funding strategies, leverage research-related resources, and identify gaps in promising new study areas (Alzheimer's Association, 2021). The cross-sector collaboration helps NPOs to deliver the organisational mission to be done more effectively and efficiently.

Value-Generation Process Perspective

Previous studies also approached the sustainability of NPOs based on input, organisational capacity, output, and outcomes (Ceptureanu et al., 2018). The input focus on resource acquisition and usage as well as expenditure-focused measurement. Consequently, they represent the efforts towards achieving financial sustainability. Organisational capacity, which reflects NPOs ability to generate outputs or outcomes effectively, is also perceived as important to achieving sustainability (Aldaba et al., 2000). Organizational capacity is a basic but complex notion that is understood differently across sectors and even within the same sector due to the differences between missions and sizes of the organisations (Fu & Shumate, 2019; Shumate, Cooper, Pilny, & Pena-y-lillo, 2017; Walters, 2019; Williams-Gray, 2016).

Organisational capacities play an important role in ensuring NPOs are capable of accomplishing the organisational mission and subsequently remaining sustained. Ceptureanu et al. (2018) also emphasised that one of the approaches in conceptualising sustainability of NPOs focus on the value-generation process that includes organisational capacity. Past researchers have developed validated instruments that provide a reliable measurement of NPOs' organisational capacities, as summarised in Table 1.

Table 1: A Capacity Instrument for NPOs

No.	Author(s)	Organisational capacities	Context of study
1	Per G. Svensson and Hambrick (2016)	Structural capacities (relationship and network capacity, infrastructure and process capacity, planning and development capacity); Human resources capacity; Financial capacity	SDP (sport for development and peace) NPOs
2	Williams-Gray (2016)	Governance and leadership; Mission and goals; Information technology; Human resources; Community linkages; Financial resource management; Cultural competence; Performance quality	Human and social services NPOs
3	Brown, Andersson, & Jo (2016)	Resource portfolio: Human capital; Financial capital; Social capital; Physical capital Management functions: Human relations; Open systems; Internal processes; Programmes and services; Board leadership	Human service NPOs
4	Andersson et al. (2016)	Mission and strategy; Programme design and evaluation; Human resources; Management leadership; Information technology; Financial management; Fund development; Board of directors; Legal affairs; External relations/marketing	Human service NPOs
5	Despard (2017)	Resource development; Management capacity; Programme development; Board development	Human service NPOs
6	Shumate et al. (2017)	Financial management; Adaptive; Strategic planning; External communication; Board leadership; Operational; Mission orientation; Staff management	General NPOs

Table 1 highlights that previous researchers had discussed various organisational capacities for NPOs. Based on the example of Top 100 NPOs on the Web, World Vision's has impacted over 200 million vulnerable children's lives by tackling the root causes of poverty (World Vision, 2021). In November 2016, World Vision launched the Our Promise strategy

that focused persistently on eradicating poverty in all its forms. It has implemented a few strategies revolving around organisational capacities to fulfil the commitment. For instance, World Vision involves hiring, training, and retaining staff with the right skills and competencies to deliver, measure, and report their impact on the most vulnerable children and accelerate digital marketing and fundraising in transitioning field offices (World Vision, 2021).

Under the value-generation process perspective, output relates to the deliverables of goods, programmes, or services resulting from NPOs achieving the mission (Ceptureanu et al., 2018). Outcome differs from the output as outcome centres around nonprofit results and substantial changes in the nonprofit target group or factors related to the target group, such as behaviour or environmental conditions (Ceptureanu et al., 2018). In summary, among the prevalent organisational factors that influence sustainability are the practice of EO as a financial strategy to obtain self-financing and diversification of resources.

Besides, the past studies have highlighted the significant importance of cross-sector collaboration and organisational capacities for the sustainability of NPOs. While past researchers have discussed various approaches towards sustainability of NPOs, a question that remains is the relevant organisational factors that influence the sustainability NPOs, specifically under a resource constraint environment. Therefore, semi-structured interviews were conducted to explore how NPOs obtain and manage the available resources to remain sustainable.

METHODOLOGY

This study was deemed exploratory and descriptive; hence, a qualitative approach was adopted via semi-structured interviews. Besides, this method is suitable for the study context whereby the literature about NPOs in developing and ASEAN countries, specifically Malaysia, is scarce and hardly obtainable (Zainon, Ismail, Yoke, Ahmad, & Sa, 2020). Thus, a face-to-face interview can provide rich data and help explore and understand complex issues (Sekaran & Bougie, 2016). The interview started with a briefing on the general aims of the study and followed the interview protocol outlined by Creswell (2014). The two main questions guided the

semi-structured interview: i) how your organisation obtains resources? and ii) how your organisation manages the available resources to ensure continuous delivery of the organisational mission?

Consistent with the previous studies, the sample focused on the NPOs that were registered as Company Limited by Guarantee (CLBG) under the Companies Act 2016 [Act 777]. These NPOs were selected as they promote charitable objectives rather than having any intention for profit (Arshad, Mahamud, Rahmat, Muda, & Nair, 2018). Five NPOs were selected for the semi-structured interviews. This small sample was not intended to be representative of the total population (Yin, 2016). Instead, this study served as a preliminary study aimed to discover how NPOs manage the limited resources to remain sustained. The preliminary study is essential to reveal pertinent matters related to the sustainability of NPOs in Malaysia that could subsequently be integrated into the current literature in designing a research framework. Interviewees highlighted that some of the information disclosed were quite sensitive. Hence, as suggested by Wiles, Crow, Heath, and Charle (2008), the selected NPOs were labelled as NPO A, NPO B, NPO C, NPO D and NPO E, for anonymity and confidentiality.

The interviewees were among the leadership staff such as director of programmes, manager or staff with an equivalent position with five years or more work experience. This selection was due to their roles and responsibilities related to supervising and managing the operation of the NPOs (Shafee, Sanusi, Johari, Utami, & Ghazali, 2018). Throughout the interview, the researcher obtained permission from the interviewees to take notes. Note-taking is one of the dominant modes of recording when doing qualitative research because it can lead to helpful hints for the ongoing fieldwork (Yin, 2016). For data analysis, this study followed the guidelines by Yin (2016), which involved five phases; compile the database, disassemble data, reassemble data, interpret data and conclude. The following section describes the research findings based on the two main questions that guided the semi-structured interviews.

FINDINGS AND DISCUSSION

Q1: How your organisation obtains resources?

It was observed that NPOs still relied on traditional funding. NPO A mentioned, *“We need to request donations from potential funders....”* This scenario is understood as NPO A is a new organisation (in operation for approximately five years) compared to other NPOs. Hence, this NPO’s visibility is still low, reflecting the organisation’s need to connect with a potential funder. NPO B said, *“...we have consistent donor, and donor that gives fund in huge amount.”* NPO C obtained the specific budget from the state government. *“...the budget has been allocated to each programme. If we receive more demand, we will request extra budget from the state government”*. Meanwhile, NPO D’s operation and activities are mainly covered by the corporate company belonging to one of the founders of the NPO. They stated, *“...the operation cost is around RM 700, 000 to RM 800,000 per year...we don’t request for donation, if people want to give, we accept...the board don’t like to ask donation from outsiders...the trustees fully funded the whole operation”*.

While it was observed that NPOs still rely heavily on traditional funding methods, such as from government and institutional donation, they also highlighted that the current funding is decreasing and insufficient. In response to this, NPO also practises EO and adopts a business-like approach to obtain extra resources. NPO A charges membership fees, and they have approximately 11 500 members with a membership fee of RM10/ per lifetime. NPO B adopts a business-like approach by selling products and offering services at a specific price to cover the operation costs. NPO B mentioned, *“...we have a gallery...the entrance fees are RM 25 per person... we also sell other art products and books to cover the cost of operation”*. NPO E also moving towards EO by being more proactive in securing continuous resources, *“...currently we receive one-off donation... we plan to get a funder that pledges to commit fund continuously to our organisation”*.

In brief, NPOs realise that traditional funding is limited and insufficient to cover the long-term cost of operations. Therefore, some NPOs have practised the EO approach to reduce reliance on traditional funding while maintaining self-sufficiency. Hence, this study postulated:

P1: The practice of EO enhances the sustainability of NPOs

While the EO approach was identified as one of the alternatives adopted by NPOs to overcome the decreasing funds from traditional sources, there is a misconception about the NPOs when they charge fees and prices for specific products. The public typically views NPOs as unable to make profits. Hence, when NPOs implement the EO approach, the public might misunderstand them as diverting from the organisational mission. NPO B said, “... *people always misunderstood nonprofit as cannot make profit...we sell products to cover the operation cost.... the donation is insufficient...*”. The action of NPOs may create a problem if the stakeholders, such as the funder, potential donor and the public, do not understand the NPO’s actions. NPO B further stated, “.... *there are many people who do not know our works...please tell others about us....*” NPO E highlighted, “...*we lack capability in marketing product and services.... people don’t know what we do...*”. Confusion about the mission of the NPOs themselves exists due to unclear definitions or terms, secretive and opaque links between some of the NPOs and donors.

The practice of EO may create misunderstanding among the stakeholders as they perceive that NPOs might divert from the organisational mission. Hence, stakeholder engagement is essential to ensure the EO approach’s implementation can successfully lead to organisational sustainability. For example, as discussed earlier, the Oregon Zoo Foundation implements an EO approach to cover operational costs. In the meantime, the Oregon Zoo Foundation engages with stakeholders by publishing Gratitude Report highlighting the activities and impacts from stakeholders’ contributions (Oregon Zoo, 2021). This report reflects the foundation’s credibility and transparency, which serves as a tool to engage with its stakeholders. Based on this illustration, stakeholder engagement is predicted to interact with EO to influence NPO sustainability. Thus, this study postulated:

P2: Stakeholder engagement moderates the relationship between EO and NPOs sustainability

Besides EO, collaboration is highlighted as one of the main initiatives taken by NPOs to ensure continuous deliverable of the organisational mission. NPO B stated, “...*we collaborate with government agencies....*

mosque, and other relevant institution...". NPO C mentioned, "We execute our programme and collaborate with other agencies and stakeholders via Adun...". NPO E noted, "...our organisation actively collaborates with others such as government agency, corporate and academicians for expertise and fund". In brief, NPOs involve in cross-sector collaboration to secure funds, expertise, and facilities. This effort helps NPOs efficiently and effectively deliver the services to the beneficiaries while simultaneously establishing networking with cross-sector partners. Thus, this study postulated:

P3: Cross-sector collaboration enhances the sustainability of NPOs

In cross-sector collaboration, it was observed that NPO D successfully delivered their activities and got cooperation from the relevant government agencies in searching for potential beneficiaries because all cross-sector partners understood and had the same objectives as the NPO. This scenario indicates the importance of organisational fit between NPOs and collaborators to ensure common goals among NPOs and cross-sector partners. Conflicts among cross-sector partners may arise if there is no organisational fit or misalignment of interest and objectives among cross-sector partners. NPO D highlighted, "*...we are clear about our mission.... our partners understand what we do...we have contact with relevant government agencies to trace the Mu'allaf all activities are in line with the organisation mission*". The organisational fit among NPOs and cross-sector partners helps NPOs optimise collaboration benefits as they share common interests and objectives.

Subsequently, the continuous support from cross-sector partners indirectly helps NPOs accomplish their mission and be sustainable. For example, World Vision works closely with local communities, faith groups, corporations, institutions and governments. In ensuring successful collaboration, World Vision recognises the commitment to seek mutual benefits, respect and values others' contributions, listen and be responsive and communicate openly and transparently among partners. World Vision invests in The Partnering Initiative's Fit for Partnering' framework, a whole-of-organisation approach to building an organisation's partnering effectiveness (World Vision, 2021). Therefore, the organisational fit was predicted as a moderator between cross-sector collaboration and NPOs sustainability. Thus, this study postulated:

P4: Organisational fit moderates the relationship between cross-sector collaboration and sustainability of NPOs

In summary, NPOs attempt to remain sustainable by continuously adopting various organisational strategies to fulfil their mission and stakeholder's interest. Besides traditional funding, NPOs adopt the EO practice to overcome the shortage of funding and donation from funders. Cross-sector collaboration helps NPOs to obtain funds, in-kind donations, and expertise from cross-sector partners. To fully realise EO's benefit and cross-sector collaboration on NPOs sustainability, stakeholder engagement and organisational fit were postulated as the moderators in this study.

Q2: How your organisation manages the available resources to ensure continuous delivery of organisational mission?

Generally, the interviewees highlighted that the execution of programmes and activities depend tightly on the available resources. If NPOs have extra resources, then more programmes and plans can be executed or scaling up. Otherwise, the NPOs will fully maximise the utilisation of available resources to deliver the programmes. This issue is closely related to organisational capacity, which reflects the ability of NPOs to utilise available resources to fulfil the organisation's mission. Specifically, the interviewee mentioned the significant role of organisational staff in running the NPOs' operation. NPO B said, "...all expertise comes from the employees...". Besides, the staff is expected to be multi-tasking. NPO D highlighted, "...the employee involved in the operation of organisation...they also teach...". Meanwhile, NPO E trains explicitly their staff to be multi-tasking, "...employee will do the job such as designing a simple graphic, even this is beyond their job scope...we need to save cost".

The staff are also being given incentives to boost their work productivity. NPO C stated, "...the staff here has KPI (key performance indicators). We are given a bonus if achieve or manage to exceed the KPI". Besides organisational staff, NPOs rely on volunteers in delivering the organisational mission. NPO A depends heavily on paid and unpaid volunteers. As highlighted, "...currently, we do not see the need to hire more worker... as the organisation progress, we will hire more expertise based upon need". NPO E stated, "...based on the project basis, the organisation

will find the needed expertise...”. NPO D mentioned, “*the agent at Sabah and Sarawak will find the Mu'allaf ...they will be given some token of appreciation in terms of money....*”. In brief, it was observed that staff and volunteers play an important role in accomplishing organisational mission and goals. These groups represent the human resource capacity for the organisation. Thus, this study postulated:

P5: Human resource capacity enhances the sustainability of NPOs

Besides, the interviewees specified the significant role of board members or trustee's and contribution in ensuring the success of NPOs'. NPO A mentioned, “... *the organisation is strong because the board of trustee take full responsibility on all actions and process....*”. NPO C stated, “... *since we rely on the state government budget, the changes in the political environment influence the organisation...at the end, all activities and programs are subject to approval from the top management*”. NPOs also depends on the networking of the board members to obtain resources. As mentioned by NPO B, “...*throughout the execution of activities, we collaborate with JAKIM, MAIWP, JAIS, MACMA ... the networking by the founder and top management plays an important role in getting fund and other resources*”. NPO E mentioned, “... *we get support from the public listed company and via networking from the board of trustee...*”. Therefore, board leadership capacity is essential to ensure the success of NPOs by establishing networking with potential funders and collaborators. Thus, this study postulated:

P6: Board leadership capacity enhances the sustainability of NPOs

In addition, interviewees acknowledged the availability of infrastructure to help NPOs carry out their operations and activities. NPO B stated, “... *we have a truck...we run a tour at the mosque to promote mushaf.... we also have a school that specialises in mushaf khad art, translation...*”. Meanwhile, NPO D mentioned, “...*we registered as Foundation in 2006... but we start delivery of services and kick-off of the operation fully in 2013 when the building was ready*”. Thus, it can be concluded that facilities and equipment are also important for an organisation to sustain. Without infrastructure capacities, NPOs will face challenges to deliver their organisational mission. Thus, this study postulated:

P7: Infrastructure capacity enhances the NPOs sustainability

Interestingly, NPO E specifically highlighted the need for continuous learning to improve organisational performance, “*we always try and error for continuous improvement throughout the operation....*”. Their action closely relates to planning and development capacity as an attempt to ensure efficient and effective operations. Thus, this study postulated:

P8: Planning and development capacity enhances the sustainability of NPOs

In summary, the management of the available resources is closely related to various organisational capacities, and based on the semi-structured interviews, the prevalent organisational capacities are human resource capacity in terms of staff and volunteers. Besides, board leadership capacity significantly plays a role in attracting and bringing resources to the organisation and establishing networking with stakeholders. Also, infrastructure capacity, as well as planning and development capacity, are essential to ensure NPOs can effectively and efficiently deliver their organisation mission. Consequently, sustainability can be achieved when NPOs manage to fulfil the organisational mission and stakeholder interest via organisational capacities.

CONCLUSION

The severity of insufficient funding, resource constraints, and other emerging issues such as the COVID-19 Pandemic subsequently affect the sustainability of NPOs. The inability of NPOs to sustain and adapt to the resource constraint issues may adversely impact society as they play a significant role in social service delivery and other aspects of sustainable development (Hassan, Lee, & Mokhtar, 2018; UNDP, 2019) nongovernmental organizations (NGOs). Children, the elderly, women, immigrants, ethnic minorities, the homeless, and the disabled are among the disadvantaged groups if the SDG 2030 progress is hindered. Hence, through an extant literature review and semi-structured interviews, this study addressed the question as to how NPOs are operating under limited resources and ensure organisational sustainability.

The findings conformed to the preliminary literature review, highlighting EO, cross-sector collaboration and organisational capacities as prevalent factors influencing sustainability of NPO. An increase in EO practices by NPOs indicates their search for alternative funding sources to overcome resource constraint issues to remain sustainable (Centre for Asian Philanthropy and Society, 2020; Moldavanova & Wright, 2020). Likely, NPOs cannot fully realise the benefit of implementing EO without stakeholder engagement if stakeholders have a misconception and misunderstanding on EO. Hence, stakeholder engagement is perceived as essential to ensure EO implementation successfully leads to NPO sustainability.

The study also found cross-sector collaborations as an alternative for NPOs to achieve sustainability because it helps NPOs obtain resources and expertise from other sectors (Aldaba et al., 2000; MacIntosh, 2013; McDonald et al., 2015; Paredes et al., 2019). The organisational fit between NPOs and cross-sector partners helps NPOs to optimise the benefits of collaboration. In addition, NPOs must build organisational capacities based on the available resources (Ceptureanu et al., 2018; Moldavanova & Wright, 2020; Walters, 2019) to continuously and effectively deliver their social mission and fulfil stakeholder expectations. Findings from semi-structured interviews reveal human resource capacity, board leadership capacity, infrastructure capacity, and planning and development capacity as the prevalent organisational capacities that enhance the sustainability of NPOs. Based on the findings, the conceptual framework on organisational factors that influence the sustainability of NPOs is proposed, as shown in Figure 2.

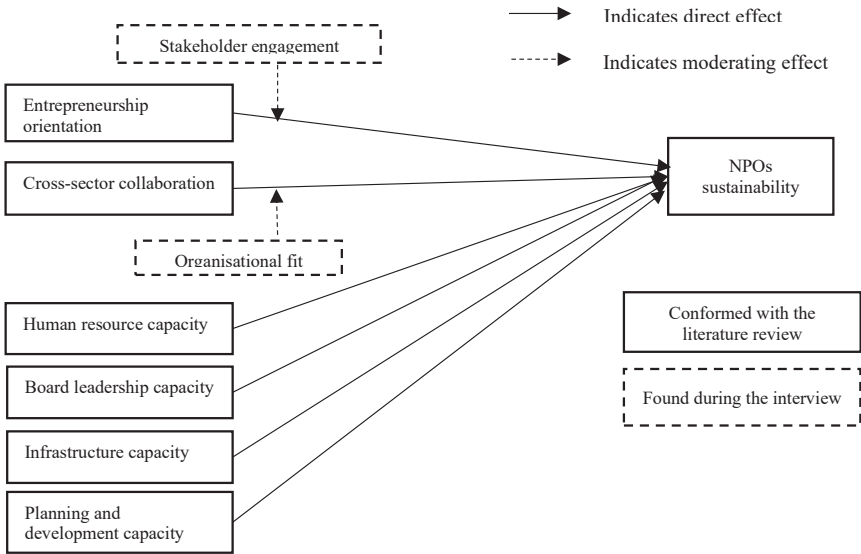


Figure 2: Conceptual Framework of Organisational Factors that Influence NPO Sustainability

Source: Developed for this study

This framework provides preliminary insights into organisational factors influencing the sustainability of NPOs under the resource constraint environment. Significantly, the role of stakeholder engagement and organisational fit as the moderator enhance EO and cross-sector collaboration literature concerning NPO sustainability. By identifying relevant organisational factors that influence the sustainability of NPOs, they can better utilise their limited resources for targeted strategies that improve organisational sustainability. Meanwhile, regulators can better plan the specific intervention that boosts NPOs and the nonprofit sector development. For instance, through social public-private partnership initiatives, regulators can facilitate cross-sector collaboration among NPOs and other sectors. Regulators can act as facilitators among cross-sector partners throughout the process to ensure a successful outcome.

LIMITATIONS AND SUGGESTIONS FOR FUTURE STUDY

The present research has its limitation. The findings revealed that human resource capacity, board leadership capacity, planning and development capacity, and infrastructure capacity as influencing the sustainability of NPOs. However, other organisational capacities might not have been highlighted during the semi-structured interviews, such as information technology and adaptive capacity, as they potentially could affect NPOs sustainability. Hence, due to limited resources, NPOs need to be even more prudent over how their resources will be utilised, thus calling for more understanding on which organisational capacities are crucial for the sustainability of NPOs.

Regardless of this limitation, this study provides preliminary insights for academicians and practitioners on organisational factors influencing the sustainability of NPOs. Based on the proposed framework, practitioners can better manage their limited resources by unpacking the relevant strategies that enhance the NPOs sustainability. As a suggestion for future studies, the propositions proposed in this study are pending further validation through empirical research. Hence, by addressing the proposed research propositions, it is expected that future researchers will be able to contribute into theoretical insights and empirical evidence for practitioners and relevant regulators on organisational factors influencing the sustainability of NPOs.

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